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# Maclean's

JUNE 29, 1987

CANADA'S WEEKLY NEWSMAGAZINE

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CANADA'S WEEKLY NEWSMAGAZINE

**Maclean's**

JUNE 28, 1987, VOL. 136 NO. 26

**COVER**

**Should the state kill?**

As the House of Commons prepared to vote on whether to reinstate the death penalty, a *Maclean's*/Dedon Poll and follow-up interviews found that most Canadians are worried that murder and violent crime are on the increase but are unsure that capital punishment in Canada is the right response. —Page 11

COVER ART BY DAVID L. SCHWAB



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**In search of fair taxes**

Finance Minister Michael Wilson introduced long-awaited proposals for tax reform—and Canadians rushed to calculate whether they would win or lose. —Page 34



**A bitter confrontation**

Violence flared on picket lines across the country as letter carriers walked off the job and Canada Post Corp. tried to keep the mail moving with replacement workers. —Page 10



**An imperilled people**

A new Brazilian government plan to develop the Amazon has set off a heated debate over the survival of the largest, remaining primitive group in the Americas. —Page 20



**A maid who burns all**

After her ex-husband said that she should be housecleaning to earn money, Pierrette Le Pen got even. She posed as a maid—mostly out of uniform. —Page 46



## Dual Olympians

Just to set the record straight, in Canada's long glide to gold" (Olympics, May 28), you say that Pierre Harvey became the first male Canadian to compete in both Summer and Winter Olympics in 1984. In fact, my husband, Bob Boucher, competed in the Grenoble Winter Olympics in 1968 and later that same year cycled in the Mexico Summer Olympics.

—DALE BOUCHER,  
Nelson, B.C.

## Diplomacy without job-creation

I had to follow Peter C. Newman's leap of logic in arguing that Canada's economic future lies in the hands of men such as Paul Desmarais ("Power's new Siberian connection," Business Watch, June 11). While I fully agree that co-operation—economic, cultural or any other—will help to lessen East-West tensions, it is beyond me how inventing in a Russian pulp mill to send a paper mill in China using Korean technology is going to put anyone in Canada to work.

—KAREN WICKER,  
Whitby

## An unchallenged Soviet view?

One of the hallmarks of journalism in a free society like ours is the fundamental role the media play in trying to clarify inconsistencies between the words and deeds of public officials. Your interview with Soviet Ambassador Alexei Rodionov ("An ambassador for peace," Q&A, June 11, for reasons unknown, never to have challenged this apparent exchange for uncritically parroting



Harvey training in Berlin, not alone

the Soviet view of the world. For example, the United States is guilty of "state terrorism" for bombing terrorist training camps in Libya, but you fail to press the ambassador for how he defines "acts of national liberation." You also missed your chance as human rights. I wonder if the ambassadors of South Africa, Chile or South Korea would have gotten away with not being questioned regarding human rights in their countries. Without a wider perspective, you risk becoming nothing more than an unthinking transmission belt for Soviet propaganda.

—TOMY FLEGGIE,  
Thunder Bay, Ont.

After reading your interview with Soviet Ambassador Alexei Rodionov, I was amazed that you did what I thought went on only in the *Khartoum* file in Iraq. You allowed a master of editorial propaganda to control the interview. When Rodionov says, "But please, I would like to comment further on Soviet-Canada relations," the reporter should have politely said that he had another line of questioning in mind.

—G. GARDNER DONALD,  
Edmonton

## CLARIFICATION

A story in the June 22 issue of *Maclean's* ("Hollywood Goes to War," The Arts) reported that Cineplex Odeon Corp. chairman Garth Drabinsky favored imposition of a movie admission tax to increase Canadian film production. After the magazine went to press, a spokesman for Cineplex stated that Mr. Drabinsky in fact opposes such a tax.

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Mail correspondence to: Letters in the Editor, *Maclean's* Magazine, Attention: Murray Berg, 777 Bay St., Toronto, Ont. M5W 1A7.

## PASSAGES

RESIGNED: Gérard Pelletier, 68, as board chairman of the National Museums of Canada, the federal agency that oversees the National Gallery, the Canadian Museum of Civilization, the National Museum of Science and Technology and the Museum of Natural Science. Pelletier, a former secretary of state in Pierre Trudeau's government and later ambassador to France, complained that Communications Minister Flora Mac Donald was guilty of "flagrant violation of the arm's-length relationship with the museums" because she announced on May 26 that the \$6 million allocated by the corporation for funding national programs would be transferred to her department and that the corporation will be wound down.

APPOINTED: Madam Justice Allen Dwyer, 52, of Montreal as the first woman on the Federal Court of Appeal, by Justice Minister Ray Macgillivray. Dwyer, a member of the Quebec Superior Court since 1982, was director of administrative law in the federal justice department from 1979 to 1981.

DEED: American novelist, playwright, screenwriter and feminist Vera Caspary, 87, best known for her film *Lovers* (1944) with Gene Tierney and Glenn Ford, of a stroke, in a New York City hospital. A recurring theme in Caspary's work is a defense of women's right to an independent career.

DEED: Former Kansas City Royal manager Richard (Dick) Bowen, 50, whose pants edged out the Toronto Blue Jays for the 1983 American League pennant in seven games and went on to win the World Series by defeating the National League St. Louis Cardinals, of brain cancer, in a Kansas City hospital.

RESIGNED: Marshal Andriy Kostikov, 46, as commander of the Moscow air defence district three weeks after West German pilot Matthias Rust, 19, landed a single-engine plane in Red Square. Defence Minister Sergei Sokolov and air defence commander Alexander Belikov had already been fired, ostensibly because of the incident. But western Kremlinologists said that the dismissals were clear signs of Soviet leader Mikhail Gorbachev's determination to tighten control of the armed forces.

DEED: Legendary jazz trumpet player (Rtd) Thelonious Monk, 51, longtime leader of the Preservation Hall band, in New Orleans. Monk, who rarely used his last name, was a major figure of the New Orleans jazz revival and also performed in Eastern and Western Europe, the Far East and South America.



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## The monks of St. Peter's

It is 6 a.m. The gentle clang of the bells of St. Peter's Abbey rings. Unrushed the monastery and set across the gently rolling grain fields enclosing the tiny village of Münster in central Saskatchewan. The Benedictine monks in their black cassocks file into chapel, beginning their day, as

usually more among the underprivileged wherever they may be needed, the Benedictines—who like other monks have only collective, not personal, possessions—remain within one monastic settlement and work to develop its buildings. And unlike the more isolated Trappists and Cistercians, they are in-



Monks with workers: looking for something more substantial in life than material things.

they will and it is 10 hours later, with prayer in between ringing their opening psalms and closing vespals, they will run the monastery's sprawling, modern 3,500-acre farm, its computerized printing press, a junior college and a retreat house for visitors seeking solace. Said Abbot Jerome Weber, leader of the 40-member 84-year-old abbey: "Our whole life is built on prayer and work."

Founded around 528 A.D. by Benedict of Nursia, who after his death in 547 A.D. was canonized, the Benedictine order—which has four communities across Canada—insists on study, work, obedience, meditation and the striving for lifelong moral improvement. But among Roman Catholic monastic orders—which claim approximately 800 adherents throughout Canada—the Benedictines have always differed in the degree to which they balance active pursuits with the contemplative life. Unlike the more frugal Franciscans, who tend-

ed in their surrounding communities. For the monks of St. Peter's, that tradition has meant a less peaceful adaptation to life in the modern world. Said Weber: "The much involvement with society leads to being involved up to society. Too little and we're out of date."

Weber, 71, has lived at the monastery since 1941. He is a native of Münster and, like most of the people in the area, a descendant of German-speaking Roman Catholic settlers. A Benedictine since 1936, he holds a master's degree in history from the University of Saskatchewan. Said the abbot: "Monastic life is the following of Christ, to live the Gospel life of faith and good works." He added that the monastic life has been in decline since the 1850s, affected by what he described as the rise of materialism. But he declared: "There are some small signs of revival—a hunger for God apart from material things. Some are looking for something more substantial than what they're finding in the world."

Still, for the monks of St. Peter's, the world is never far away. With its grain fields, six granaries, two extensive over-irrigated soil to local farmers, pigs, chickens and vegetable plots, the abbey is an important part of the local economy. At the abbey's junior college, whose teaching staff includes both monks and lay teachers, 180 students attend classes in part of the University of Saskatchewan's first year of arts and sciences. There are also secretarial and special education classes.

At the same time, St. Peter's, with its illuminated-iron landmark, also its college building, reaches even farther afield with its printing press, active since 1928. It publishes the award-winning Catholic weekly *Prince of Münster*, which has a circulation of 32,000. Said editor Rev. Andrew Britz, 47, a native of nearby Lake Louise and one of 27 ordained priests at the abbey: "We want to broaden the vision of our readers to the possibilities of today's church, to work in areas of ecumenism, women's issues and the place of the church in the viewpoint of social-justice issues." The abbey's press also prints local histories, district newspapers, advertising supplements and French-language publications for the University of Saskatchewan. "We have no salaries," said printing-press manager Rev. Peter Nuss-

cosky. "We rely on our reputation for our \$250,000 in annual sales."

But despite the abbey's thriving economy—revenue of \$1.9 million last year yielded \$48,000 in profits—it is still a place of peaceful retreat for about 30 visitors as an average summer weekend. "People come here without the interference of the media or the home environment," said Brother Gerald Mene, a 61-year-old monk from Platts, Sask., 165 km northwest of Saskatoon. Among those from the outside world who take advantage of the abbey's peace are the Saskatchewan Writers' Guild, which hosts regular guest workshops. The summer for its members who work a refuge for writing. Native groups also attend one-week courses in land administration taught by native leaders at the college in conjunction with the University of Regina. And even Anglican, Lutheran and United Church Anglicans from Saskatoon attend weekend retreats at the abbey. "They get away from the



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ity," said Moran. "There is quiet here." For his part, Moran says that those contemplating monastic life should spend some time in the outside world before committing themselves to a monastery. He spent three years as a young novice at the abbey from 1961 to 1966, then decided to leave. After 36 years as a hotel author in various western Canadian cities, he returned to St. Peter's and took his final vows in 1996. "I recommended candidates don't come here as teenagers," he told *Monitors*, "not at least until they're 28 years of age with a final commitment until 30. Then they have a better idea of it all."

This year the monastery's community welcomed two postulants, as candidates for the order—a 23-year-old Saskatchewan farm worker and a 36-year-old former travel agent from Montreal. Having completed six months of probation, the two novices—an average annual resident for the monastery—will study for three years before becoming monks. Two others, having completed their first novitiate year, are scheduled to take preliminary vows next month. But Weber, a sprightly former athlete who chose religion over hockey as a vocation but still skates expertly in his religious garb on the abbey's enclosed community rink during the winter, acknowledges that vows no longer have the power they once had. "Those days if someone can't back it anymore, vows can be dispensed with," he said.

Still, in the past 13 years only one monk has left St. Peter's for the secular world. The monastery also offers the option of total seclusion from the outside. For hermits—among them, two monks—are spartan huts in secluded pine and aspen groves on the abbey grounds. But most of those who stay find peace of mind in communal life. Monks pray together five times daily, lunch is a silent meal except for a daily reading by one of the monks on spiritual or historical topics. There is time for a short nap before the afternoon's work, vespers and evening prayers. And evening recreation often revolves around the abbey's pool table, television set and reading room. Says Moran, "We have to have contacts with the outside. Most of us work with outsiders."

That work now includes providing beds for government-sponsored summer camps for abused children in the monastery's monastic-driven dormitory, which has 180 beds. "They used to be for hockey schools, but kids were more interested in other things," said Moran. "Now it is for abused kids and children of alcoholics. That is a commentary on life." It is also a commentary on the cautious—and successful—integration of St. Peter's with the outside world.

—JOHN ROWSE in Montreal

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**NETWORKING**

## Welcome to Heineken.

### COLUMN

## The \$1.2-million sales pitch

By Diane Francis

**I**t was a shambolic corporate junket, a \$1.2-million grand tour of distillery operations in four countries for about 90 people via the Concordia super-yacht. For six days earlier this month, the booze cruise was laid on by British food conglomerate Allied-Lyons run to highlight its 51-per-cent stake in Canadian multinational distillery giant Hiram Walker-Gooderich & Vowles Ltd. The grand tour of Canada and Hiram's corporate cousins—Britain, France and the United States—was for the benefit of some of Britain's most influential investors and brokers, who think of Canada, if they think of it at all, merely as a nice place to hunt and fish and ski. Not at all, when it comes to sophisticatedly grown "Canada is a fairly boring place," analyst Peter Temple of London brokerage firm Moore, Guntz Ltd. told Maclean's. "Too much land and too few people."

Each brutal opinion belie the fact that the British still suffer from mental myopia when it comes to recognizing that even a society where people are crazy enough to drink tea out of Styrofoam cups may have merit. In short, some remain stoic, a situation worsened by the fact that Britain leads the pack in economic growth for the first time in many years. But the sheer extravagance of the tour attracted Britain's financial muscle-brokers who had never been to Canada and never heard of Hiram Walker until last year, when Allied took control of the troubled company. And Allied's clever empire-builders—who own 7,000 pubs and make, among other things, Tetley tea and Teacher's scotch—had more reasons than just celebration for this mad show.

The tour of Hiram's holdings was a great success and everyone had a jolly good time, even though Allied's chief strategist and chairman, Sir Derrick Holden-Brown, laughingly said that he "took a bit of stick" over the extravagance of using shareholders' money at a rate of more than \$18,000 per head to wine and dine brokers and the press. But this was British success at its best, the kind of posh flamboyance that most Canadian multinationals would be well advised to emulate.

The tour's first stop was in Dunbarton, Scotland, where Ballantine's scotch is blended and bottled across from a cottage along the scenic Clyde River. It rained six days, five bottles

and four crates later at Cognac's opulent distillery in hilly southern France. Along the way, through Toronto, Windsor and New York City, in session as the making of Canadian Club, Kahula, The House and a host of other liquors, the analysts and investors were bewitched with facts and figures in slick, formal presentations. The lectures were punctuated by free samples and Irish music. "It is our duty to do our market research," suggested industrial development analyst Victor MacNeil of Kleinwort Grenvilles Securities Ltd. in London.

At the end of the tour, he and other important analysts were significantly impressed with Hiram's operations—enough to increase their estimates of Allied's 1992 gross revenue to close \$1 billion from around \$875 million—a shot in the arm for Allied shares. But it wasn't all work. Outside of the official itinerary, there was the toke

**Allied—whose many products include Tetley tea—had more reasons than just celebration for its extravagant junket**

tourist trip to the top of Toronto's CN Tower and a late-night visit to a raucous Windsor strip club called Juvon's. "The only place where all the vital statistics were laid bare," according to one wag.

Allied became involved with Hiram Walker when it made a deal with the company's management to buy the distillery for \$2.4 billion—out from under a \$2.6-billion bid by Toronto's Reichmann brothers for Hiram Walker's parent company, Hiram Walker Resources Ltd. The parent company included Consumers' Gas, Home Oil and Interprovincial Pipe Line. After a war of words and wands, the Reichmanns capitulated and agreed to accept 49 per cent of the distillery to Allied's 51 per cent. But according to the deal, the Reichmanns can opt out or be bought out by Allied, with three months' notice, on Dec. 3, 1991. This tour probably signals that Allied is grinding itself to do just that.

While Hiram was a surprise to Britons who had never heard of it, Allied's Sir Derrick certainly was familiar with its operations. A ruddy-checked,

coarse countenance of Prince Consort Margaret Thatcher, Sir Derrick was a Hiram Walker representative in Britain between 1949 and 1954. His wife of 37 years, formerly Patricia MacKenzie, is from Toronto, and Sir Derrick served as a soldier and crew-member during the war, with Canadians including Vancouver lawyer Thomas Ladner, now on Hiram's board. Significantly, Sir Derrick just appointed Canadian since Clifford Hatch Jr., whose family has run Hiram for decades, to be finance director for Allied-Lyons itself. That was an unorthodox and prestigious appointment, normally accorded by a chartered accountant and director of The City, as London's financial district is called. To astute observers, it signals that Hatch is definitely in the running as a future chairman of Allied's global empire. Sir Derrick is coy about such speculation. "It's early," he said, "but you can be sure at the age of 45, being brought right into the realm of Canadian finance, he is certainly entitled to look ahead."

Ironically, Hiram's empire has its roots in the ill-fated National Energy Program, which was authored in part by a Reichmann executive, former deputy energy minister Mickey Cohen. Hiram was a great multinational company, when it got caught up in the oil fever, paying \$737 million for U.S. oil and gas assets that were actually worth only half that. The blunder made management gun-shy, leading it to clean up debts and, subsequently, tighten reinvestment. Now the seeds for its own capture as shares slumped to bargain prices.

The road show was designed to push up Allied's share-price value as the strength of its share holdings, making it easier for Allied to acquire a buy-out of the Reichmanns' shares if it chooses. Last week Allied also announced that it will seek a listing on the Toronto Stock Exchange and sell \$150 million worth of shares directly to Canadians. There is little doubt that Canadians will eagerly snap up Allied stock, another sign in Sir Derrick's long-term strategy of giving Allied the means to replace the Reichmanns with other Canadian investors or make other acquisitions. As industry observer Peter Temple said, "Keep in mind that as good as Allied says, it will want it all at the nearest moment. Part of this whole exercise is to get the stock up. In the long run it will work Hiram was badly managed, but it is a good asset."





# A bitter confrontation

By his own admission, Frank Knight is not a militant trade unionist. During 17 years as a post office truck driver in Montreal, he had never carried a picket sign. But when the 30,000-member Letter Carriers' Union of Canada (CCUC) ordered a series of rotating strikes across the country last week, Knight did not hesitate to join the picket line outside the downtown postal sorting station in the Montreal suburb of St. Laurent. He contends that post office management provoked the strike by demanding water concessions from the union. And he says of his fellow workers, "They said that he felt anger, frustration and even hatred at having to go on strike. 'We don't want trouble,' he said. 'But they want to tear everything away from us. What the hell are we supposed to do? I'm 49. I don't want to start looking for another job.'"

AP Wirephoto

Thursday night the union played its trump card, ordering a walkout in Toronto, where half of Canada's mail is sorted. Letter carriers also struck in other cities and towns in southern Ontario, including Hamilton and St. Catharines. Meanwhile, striking work-

\$135-million deficit by next March, as ordered by the federal government. On Friday, after the union had rejected the corporation's latest offer, Canada Post asked the government to appoint a mediator for seven days to help end the strike—and said it would suspend



Police officer struggles with Toronto striker, moving the mail with nonunion workers

ers went back to the job in Montreal and Calgary. Staff LCUC vice-president William Fladung "We apologize to the public for the disruption, but it could be a long, hot summer." Officials at Canada Post seemed equally resolute. Said Ronald Dawson, general manager of labor relations: "For a union that has put itself forward as being interested in service to the public, it's remarkably not showing it."

Neither side appeared willing to make concessions that would bring a quick settlement. Refusing to surrender gains won during 20 years of contract bargaining, the letter carriers said that they would settle for renewal of their current contract along with a modest wage increase. For its part, Canada Post was determined to wrest concessions from the union on job security and working conditions. Officials argued that the changes would improve efficiency and help ease a

the use of replacement workers while a mediator attempts to settle the dispute. LCUC president Robert McGarry said that he would welcome a mediator. But he would not agree to take down the picket lines while the mediator was at work, as requested by Canada Post.

The stakes in the dispute are enormous. The labor movement views the dispute as a key test of its strength at a time when union membership is in decline and employers have increasingly gained the upper hand at the bargaining table. "There's not one of our affiliates that's not affected by this one," said Ronald Lang, research director for the Canadian Labour Congress, which represents 50 unions and 12 federations. "We're not going to let the LCUC down." Within the government, some Conservatives viewed the dispute as a chance to gain political points by reviving in the postal unions

and bringing order to one of the nation's most unpopular institutions. "In previous strike situations, the government has come in last," said Ontario MP Donald Stewart. "I don't think they will this time." Still, the government was reluctant to legislate the union back to work. "It's a legal strike," said Harvey Andre, the minister responsible for the post office.

As the week wore on, the letter carriers claimed to be winning the war on the picket lines. Canada Post had vowed to keep the mail moving, writing a target of daily delivery to businesses and twice-weekly service to homes and group boxes in areas affected by strikes. To achieve that goal, it hired

by inside workers in 1981, had further eroded their faith in the postal system—and postal unions. "Every single worker and business in this country has made adjustments, except the post office," said John Baloch, president of the Canadian Federation of Independent Business. "That's outrageous. Why should they be monopolized when everybody else has had to take cuts?"

According to the letter carriers, the real cause of the dispute is Canada Post's five-year plan to erase its deficit. Under it, the corporation would eliminate 8,700 jobs out of a total workforce of 82,000, close hundreds of rural post offices and in-

allowance to return to mail pickup points for lunch. And newly hired workers would have to use their own vehicles to travel to and from their mail routes, rather than ride public transit for free.

The union traces responsibility for the post office's hard-line demands—and the resulting strike—directly to the Tory government. Canada Post's five-year plan, they noted, was drawn up by government officials, not post office managers. "We never got the marching orders from the government," said the CCUC's Lang. "It's a political decision that created this situation, and it's going to take a political decision to end it." But Andre dismissed suggestions that the government was orchestrating Canada Post's tactics at the bargaining table. "The assumption," he said, "is that the corporate plan has something to do with the strike—and that's not an assumption I accept."

The outcome of the strike may depend on which side gains the sympathy of the public. Postal unions became unpopular after a series of strikes in the late 1960s and 1980s. But the union has spent \$800,000 on an advertising campaign seeking public support for postal workers. "It's not as easy to pick on postal unions as it once was," said Lang. "People are fed up with all the government cuts in postal services." The unions also hoped that the letter carriers would receive special sympathy because of their daily contact with the public and their relatively stable labor



Montreal post office last week, Knight (below): "what the hell are we supposed to do?"

thousands of replacement workers across the country and paid them \$12.25 an hour. But the union said that it had slowed the movement of mail to a trickle in response. Canada Post conceded that "an aggressive union stance" had kept it from reaching its targets in Quebec City, Saint John, N.B., and Montreal. But the corporation insisted in a statement that it "continued to provide delivery service across Canada."

Frustrated at the delays, many businesses turned to courier services to move their mail. And some said that the strike, the first at the post office since a 69-day walkout

erased the use of group mailboxes in place of home delivery. In addition, Canada Post president Donald Langner has said that he wants more flexibility from the seven unions—landside

ing the 25,000-member Canadian Union of Postal Workers (CUPW), which will be in a legal position to strike within three months. For the letter carriers, that means rule and contract changes that would eliminate the union's so-called guarantee, contract set some services and make greater use of temporary workers. The post office also wants to remove such privileges as time to wash up after work and a paid time

relations record. Certainly, McGarry's quiet and easy-going demeanor contrasts sharply with the militant image of CUPW president Jean-Claude Gauthier. The hard-line CUPW, the postmen have not staged a major strike since 1968.

In light of that record, many letter carriers said that they felt they were treated unfairly by Canada Post. Frank Knight, 49, an ex-unionist, said that he could lose his job and his pension if the post office changes its rules on layoffs and job security. "I figure I could lose everything I've ever worked for," he said. "After all, 20 years, this is the thanks I get." His many of his colleagues, Knight said that he job and his pension. "It's the best—a short strike—but preparing for the worst."

—MARKUS GREW with MARIO CLARKE in Ottawa and newspaper reports



# Showdown in Quebec

The showdown has been years in the making. On one side is the Confederation of National Trade Unions (CNTU)—one of Quebec's most powerful and militant labor organizations. On the other is the Quebec Police Force (QPF), which has racked the 225,000-member CNTU with a series of spectacular raids, arrests of union leaders and disclosures of damaging information to the news media. The showdown

among anti-abortionists that police may have exceeded their authority in dealing with the CNTU.

The long-standing animosity between the CNTU and provincial police came to a head last fall during a bitter labor dispute at the scenic Manoir Hotellier Hotel in Pointe au Pic, Que. After businessman Raymond Malenfant bought the hotel in 1985, he replaced 304 CNTU-affiliated workers



Police search-and-seize operation at CNTU headquarters, animosity

union, said the head of Quebec's largest employers' group, may be a watershed in the turbulent history of labor relations in the province. Declared Gilles Dufour, president of the Conseil du Patronat: "If the CNTU loses, it will be a major victory for the province. If it wins, it will be tougher than ever to deal with."

Another arrest by the QPF on June 16 brought to four the number of senior union officers charged in connection with the May 30 bombing of a Châteaui, Que., hotel owned by a businessman with whom the CNTU had been feuding. A fifth union officer, Marc Rivin, was arrested on June 5 but was not charged. Rivin has since disappeared from public view, amid repeated allegations that he was a paid police informer for much of his 18-year career in the union. Indeed, CNTU president Ghislain Larose charged in an open letter to the provincial government last week that he and his organization were victims of an elaborate police campaign to discredit them. The charges raised concerns

with union workers at reduced wages. CNTU members picketed the hotel for months, during one protest last October they clashed with QPF officers, and one arrest, Gaston Harvey, died after a policeman applied a choke hold to him. Union president Larose charged at the time that Harvey had been murdered—

a victim of police brutality. A provincial coroner later found that the choke hold contributed to Harvey's death, but government and police inquiries concluded that the incident did not warrant criminal charges.

The May explosion at Macdonald's Châteaui hotel was followed on June 4 by a series of QPF raids on the homes of CNTU officials around the province, the police seized 25 stocks of dynamite,

dynamite and assorted weapons. Rivin and three other union leaders were arrested the next day. But Rivin quietly disappeared, and Montreal media reports—quoting unnamed sources—said that he was an informer working for the Canadian Security Intelligence Service (CSIS), which replaced the now security service in 1984. And on June 9 police raided CNTU headquarters on Delémont Street in Montreal, while TV cameramen who had been tipped off to the raid recorded the proceedings.

In his open letter, Larose charged that the police had put the CNTU on trial. And later in the week the angry union leader said that the QPF "uses union organizations in the same way as motorcycle gangs." What concern was raised last week from several quarters—including the Quebec Civil Liberties Union, which is watching the conflict closely in a statement, the group called on Premier Robert Bourassa to "call the Quebec Police Force to order."

Other observers were even more concerned that police might have placed agents inside legitimate labor organizations. McGill University labor economist Sidney Ingemann told Maclean's that such tactics were "a throwback to a thing of an ugly past." But Ingemann: "It's totally unacceptable. If they are doing it in one organization, there is no reason to believe they are not doing it in other places." But Dufour, the employers' spokesman, maintained that groups with nothing to hide should not be concerned. Said Dufour: "If people in my organization were found with stocks of dynamite, I would welcome the arrests."

Provincial and federal officials could neither confirm nor deny last week that Rivin was a CSIS agent. But a report to be tabled in Ottawa this week by the civilian committee that oversees the agency's activities will raise concerns about its growing emphasis on infiltrating groups that it considers subversive. The committee has also learned that the five-member committee, headed by former Conservative MP Ronald Atkey, will be briefed by senior CSIS officials on June 28 about the CNTU and Rivin. Said Atkey: "I'm having difficulty distinguishing between subversive activity and lawful dissent, protest or advocacy." As additional details of the affair come to light, that view may gain greater currency.

Larose: militant



—NICHOLAS BOURG in Montreal with GILBERT MACDONALD in Ottawa.

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# Should The State Kill?

**S**ergeant Crozier, a retired farmer who lives in Biggar, Sask., is better about the way Canada's criminal justice system works. Almost 20 years ago his wife, Gladys, was killed when the car she was driving was struck by another vehicle. The other driver, says Crozier, was "80 per cent drunk" and yet he was never charged and "never paid any penalty" because the police did not pursue the case. Partly as a result of that experience, Crozier, 62, says that Canadian society treats criminals too leniently, and that a return to capital punishment would help give law-abiding citizens a sense of having "the law on our floor." As it is, said Crozier, prison terms served by murderers in Canada are ridiculously low. He added: "They say, 'I'll just put in my term and go out and be twice as bad.'"

**Alarm:** With Crozier, Canadians in all parts of the country and in all walks of life are alarmed at the rising level of violent crime in society. They say that the existing system for upholding law and order is functioning poorly, and may even be contributing to an increase in crime. Those were among the findings of a Maclean's/Delema poll conducted last week. Three out of five of the respondents also said that they supported, or leaned toward, restoration of the death penalty, which has not been carried out in Canada since 1962 and was removed from the Criminal Code 11 years ago. At the same time, many of those who said that they supported capital punishment were only loosely attached to that conviction. In answer to other survey questions, and in follow-up interviews by Maclean's with a cross-country sampling of 50 of the poll respondents, many also demonstrated that they share an uncertain attitude toward the notion that the death penalty is the right and effective answer to their concerns about violence.

Many of the prevalent concerns about violence were expressed by poll respondent Marjorie Bulgett, a 38-year-old housewife and part-time cleaning worker in Halifax. "I think it is just getting to be too much," she said. "Every time

you pick up a newspaper or turn on the television, there's another killing. Usually the murderer gets off, or is out again in no time. You get more fear burning down a barn or a house. The laws are too lax."

Still, the results of the poll—which was carried out just as Parliament debated possible restoration of the death penalty—indicated that two out of three Canadians did not believe that ultimate

by Parliament would act to bring back capital punishment. "The overwhelming view," noted Allan Gregg, chairman of Delema Research Ltd., after analyzing the poll results, "is that the death penalty will never be brought back, but if it is, it will be only for a short time."

**Amphibious:** The poll also suggested that the views of Canadians as the death penalty are in many ways ambivalent and sometimes contradictory. Typ-

ically, Anna Rap-Horvath, a retired Winnipeg nurse, explained that "I believe in God, and you just can't take someone's life." Despite that, she said that she would support execution of murderers who committed premeditated crimes involving cruelty and suffering. The complicated mixture of feelings that Canadians hold on the subject of crime and punishment was reflected in the results of a telephone survey of 1,500 people 18 years or older across the country conducted by Maclean's by Delema between June 7 and 14. The survey indicated that an overwhelming majority of Canadians—especially women, law-enforcers and older Canadians, and city dwellers—are concerned that the incidence of both violent crime and murder are on the rise in Canada. And 68 per

cent of those polled said that they thought capital punishment would be an effective deterrent, discouraging would-be murderers. But analysis of the survey data indicated that there was little relationship between concerns about the rising crime rate and a willingness to restore capital punishment. "Rather, it would appear," noted Gregg, "that support and opposition to capital punishment are rooted in deep philosophical differences." He said that it appeared that opponents of capital punishment are motivated principally by moral considerations, while those who favor the death penalty tend to believe that it would serve as a deterrent to potential murderers.

**Support:** The poll results also suggested that even though Canadians—when they are asked—tend to say that they support a return of capital punishment, they are not strongly committed to the idea. Of those in favor of restoration, only 36.7 per cent said that they were convinced that Canada should bring back the death penalty, while 24 per cent only leaned toward the idea.

As well, of the 35 per cent who were not fully committed to either side of the issue, more than one-quarter—about 10 per cent of the total population—indicated that they might change their minds. "Clearly," said Gregg, "there is some ambivalence and potential volatility on this subject."

**Humane:** At the same time, the poll results indicated that most Canadians are influenced by humanitarian impulses. When they were asked about the risk of innocent people being executed by mistake, 59 per cent of those polled agreed that this was a concern, while

injection, a method that is widely regarded as more humane than hanging or other traditional forms of execution.

Respondents were also asked if executions should be given special publicity to increase the deterrent value of the act. But 71 per cent said that the death penalty should be carried out with minimal publicity still, a few respondents thought that televised executions might be a good idea. "Don't replace Mark & Andy or M\*A\*S\*H for it," said Hans Lorenz, 25, who runs a housepainting service in Edmonton. "But you should show executions on TV and get a good look at it."

An analysis of cross-tabulated poll data showed significant demographic differences, with men, people over 45, the less-educated and people with large numbers of children tending to be convinced in favor of bringing back capital punishment. Students, people with postgraduate university degrees and francophones are more likely to be convinced opponents of the death penalty. But the sharpest distinctions were on a regional and cultural basis. With 78 per cent of those polled in the three Prairie provinces supporting, or leaning toward, a return to capital punishment, they are nearly twice as many as in Quebec—the lowest level of support in the country. "The biggest differences are found in the question of the morality of capital punishment," said Gregg, "and Quebecers have significantly more difficulty with that issue than residents of English Canada."

**Morality:** The findings of The Maclean's/Delema Poll suggested that Canadians as a whole are evenly divided over the fundamental question of whether it is morally right for the state to carry out sentences to people sentenced to death by inflicting the death penalty. Asked to weigh a statement to the effect that it is never right for anyone—even the state—to take a human life, 49 per cent of the respondents disagreed or strongly disagreed with the statement that executing a person is always right. The same percentage of respondents indi-

## POPULAR OPINIONS ON CAPITAL PUNISHMENT

(rounded percentages)

- Convicted murderers are allowed back in society too soon **87**
- Firmly favor or leaning to restoring the death penalty in Canada **61**
- The death penalty would deter others from murder **61**
- Executions should be carried out with maximum publicity **77**
- Capital punishment is the only suitable penalty for murder **50**
- Innocent people might be executed by mistake **79**
- Death should be the penalty for convicted killers of children **78**
- Death should not be the penalty for murder in domestic disputes **68**
- Parliament will not bring back the death penalty **67**
- The death penalty question should be decided by a national vote **74**

(Results in rounded percentages from a national Maclean's/Delema poll run on 1,500 Canadians June 7 to 14. Results rounded to the whole percentage within 0.5 percentage points; within only 100 votes in 200.)

whether it is morally right for the state to carry out sentences to people sentenced to death by inflicting the death penalty. Asked to weigh a statement to the effect that it is never right for anyone—even the state—to take a human life, 49 per cent of the respondents disagreed or strongly disagreed with the statement that executing a person is always right. The same percentage of respondents indi-





Kingston penitentiary. Goss (below) fears that too much leniency in the system is contributing to increased crime

ated that they supported or strongly supported the view that the state should not commit legal murder. Declined poll participant Ingrid MacGranger of Sherbrooke, B.C.: "I do not see how two murders make a right. I don't think we're going to accomplish anything by taking revenge."

A similar split showed up when survey participants were asked to respond to the statement that "murder is such a terrible crime, the only suitable penalty is to take the life of a murderer." Although 68 per cent of those polled either disagreed or strongly disagreed with that proposition, 50 per cent supported or strongly supported the statement. "If people take other people's lives," said respondent Verne Nordholme of Biggar, Sask., "they should pay for it in the same way."

**Comparisons:** Respondents who agreed to elaborate on their views spoke to Maclean's reporters after first being contacted by Decima researchers who asked them to answer 46 separate questions on capital punishment and related crime and social issues. The resulting data, which were geographically weighted, to make regional comparisons possible, reflected the views of Canadians representing all income groups and political persuasions. Statisticians consider that a poll of the type carried out will produce results that are accurate for the

whole population within 2.5 percentage points either way, 19 times out of 20.

The findings of The Maclean's/Decima Poll also appeared to bear out indications of a gradual decline in public



support for capital punishment that has been revealed in opinion polls taken over the past five years. According to surveys taken by Gallup Canada, support for capital punishment declined to 41 per cent in a poll taken two months ago from 70 per cent in 1982. In The Maclean's/Decima Poll, the same proportion of respondents—41 per cent—either supported or leaned toward restoration of the death penalty. At the same time, 72 per cent of those polled who "leaned" toward or against restoration said that they were unlikely to change their view as a result of the continuing political debate over the issue. That suggested that the basic support for capital punishment probably stood at about 64 per cent.

**Influences:** The poll indicated that most Canadians have not been heavily influenced in their views by the public debate over capital punishment—although, where people say that they have been swayed, the trend has been toward a hardening of views among death penalty supporters. Altogether, 36 per cent said that during the past several years they had become more inclined to support the death penalty, while 21 per cent said that they had moved in that direction in the past few months as a result of the current parliamentary debate over the issue. But in the same time periods, 64 per cent and 70 per cent re-

spectively of those polled said that their views had not substantially changed.

The Maclean's/Decima Poll clearly indicated that a large majority of Canadians are deeply troubled by a rising incidence of murder and other violent crimes—though, at times, the public perception of crime rates is at variance with actual crime statistics. When they were asked about crime rates in Canada during the past 10 years, 81 per cent of the respondents said that they believed violent crime in Canada had either increased or increased greatly. In fact, federal statistics show

that in fact, federal statistics show that there were 941 homicides in Canada last year, down from 908 in 1978—the year that capital punishment officially ended in Canada. That meant that, while Canada's population is increasing during these years, the homicide rate actually declined to 2.2 per 100,000 people—the lowest since 1971—from 2.9 for every 100,000. As well, the murder rate in Canada is still far below that of the United States, where the latest available statistics show that there were 710 murders per 100,000 of population in 1985.

The respondents said that they would have a difficulty carrying a murder defendant whom they believed to be guilty if the death penalty were brought back, 25 per cent indicated that they would be less likely to convict a criminal who could face the death penalty. "With one-quarter of the population displaying some reluctance to convict those accused of murder," noted Gregg, "this undoubtedly further weakens the position of supporters of capital punishment."

Asked which method of execution should be used—were cited more than

## DIVIDED VIEWS ON PUNISHING VIOLENCE

(rounded percentages)

■ Should Canada bring back the death penalty?

Convinced yes	87%	61
Leaning yes	24%	
Convinced no	27%	38
Leaning no	11%	

■ If restored, the death penalty should apply to killers:

Of children	70
In terrorist acts	72
Of police and prison guards in committing another crime in domestic arguments	70
	60
	28

■ Which method or methods of execution should be used?

Lethal injection	49
Electrocution	13
Gas chamber	10
Hanging	6
No answer	37



■ Serving on a murder trial jury, believing the defendant to be guilty and knowing that conviction would bring the death penalty, you would:

Be less likely to convict	25
Be more likely to convict	31
Convinced regardless of the penalty	62

■ The most important issue in deciding whether to restore capital punishment:

Innocent people might be executed if the death penalty is restored	36
If it is never right, even for the state, to take a life even a murderer's	20
Restoring capital punishment might result in fewer murders	24
The only suitable penalty for murder is to take the murderer's life	16
	40

■ Corporal punishment, such as whipping and stripping, should be imposed for crimes where the victim is physically abused, as in sexual assaults:

Corporal punishment should not be used because it is wrong for society to take an eye for an eye and a tooth for a tooth	35
	64

that the number of violent crimes—including assault, armed robbery and attempted murder—increased by almost 36 per cent in the 30 years through 1985. But André Normand, a University of Montreal criminologist, noted that the pace of that increase has diminished. Between 1966 and 1975, he said, the rate of those crimes had risen by about 100 per cent.

Asked about the number of murders committed each year in Canada, 75 per cent of the respondents indicated that they thought there were either more or many more murders committed in Canada today compared with a decade

ago. When respondents were asked to decide what kinds of criminals should be executed if capital punishment were to be brought back, child killers headed the list, with 70 per cent of those polled saying that such people should be executed. That result was followed by terrorists who commit murders (72 per cent), the killers of police officers and prison guards (70 per cent) and criminals who commit murder in the course of some other crime, such as robbery (60 per cent).

A telling poll result on the administration of justice dealt with prosecution of killers. Although 62 per cent of

"Don't I'd have no hesitation in saying, 'Don't bring back the death penalty.'"

Others, like Grand Jury, a Sherbrooke, Que., priest, argued that "we have to start with moral and religious education, because almost all criminals have had a difficult childhood, or a bad education or a lack of love." Ultimately, in the search for a way to cleanse society of crime, Canadians may face a choice that centres on precisely those issues—between taking lives or healing them.

—NARR NICHOLS with JULIA BENNETT, VICTOR O'NEILL and TIM WILSON in Toronto and MICHAEL ROSE in Montreal

# DISPUTED DEADLINES

As the extent of Parliament's debate on the death penalty, the government proclaimed its commitment to "a full and open debate followed by a free vote." Conservative MP Douglas Lewis, speaking for the government as he opened the debate on April 22, said that to force a vote on reinstating capital punishment "would be contradictory as a matter of conscience." Lewis, the parliamentary secretary to Deputy Prime Minister

Alexworthy: "They believe they are losing the debate."

Steph Alexworthy and other opponents of the death penalty claimed that support for reinstatement is slipping, both inside Parliament and in the country at large. As a result, they said, they advocate capital punishment wanted to force the issue to a vote before time—and more debate—eroded their support even further. By the same token, opponents among the opposition Liberals

Recent opinion surveys in Parliament and across the country evidence the claim that support for capital punishment is weakening. A month before the Commons debate began, a *Maclean's* survey of MPs revealed 134 in favor of restoring the death penalty and 111 against, with the rest of the 279 sitting members uncommitted or refusing to state their position. But four of the five MPs who came off the fence publicly during early stages of the debate de-



Alexworthy (left); Lewis charges that the Alexworthy government reneged on its commitment to 'a full and open debate'

Donald Mackenzie and himself as advocates of the death penalty, urged all MPs to deal with the dilemma more "in an calm and thoughtful manner as possible." But late last week, after five separate rounds of speeches during the past two months and a latter dispute over deadlines, the House of Commons came under government pressure to close down debate and bring the issue to a vote as early as this week. Liberal MP Alexworthy charged that the pressure was exerted by the majority of government MPs who want to bring back the death penalty. Said

and New Democrats used procedural tactics in an attempt to prolong debate and stave off a showdown. Said New Democratic Party House Leader Nelson Rife: "With time gone education, and with education on the issue, there is a tendency to become abolitionist." By week's end, parliamentarians on both sides of the argument calculated that the vote result would be closer than expected when the debate began. Congress William Dennis, the Peterborough, Ont., Tory MP who led the campaign for the restoration of capital punishment: "The vote could change the outcome."



clared themselves opposed to the resolution being debated. It would commit the Commons in principle to bring back capital punishment and authorize a special committee of MPs to recommend "which offence or offences should carry the death penalty" and "which method or methods of execution should be used to carry out the penalty of death."

Steph Since those public shifts to the anti-reinstatement camp, other MPs are reported to have moved more quietly into the opponents' camp. Among those are as many as five Liberals who once supported the resolution and Tories

Tory David Crombie. All 30 NDP members oppose the resolution. As well, opponents of capital punishment were exerting last week on the intervention of a powerful ally to help swing wavering Tories to vote against the resolution—Prime Minister Brian Mulroney.

Last last week, a prime ministerial aide said that Mulroney planned to join in the debate. No number of the cabinet had spoken during earlier stages. Mulroney, whose 1984 election promise brought about the current debate, has been an eloquent opponent of bringing back the death penalty. He indicated that the practical arguments in favor of capital punishment are not persuasive, asserting that there is no decisive evidence that executions have had any effect on preventing capital crimes. Mulroney also argues against the death penalty on moral grounds—that there is no justification in taking a life except in extreme cases of self-defense and that it is as wrong for the state as it is for an individual to take a life.

Bremer Those and similar arguments have been presented repeatedly—if by less eminent politicians than the Prime Minister—during the total of about 15 hours of debate on the issue since April 5. In large part, the arguments have been repetitions of those repeated with more passion and drama in 1976, when Parliament voted narrowly after years of hesitation to erase capital punishment from the Canadian Criminal Code.

Since that time national opinion polls have also repeatedly indicated that as many as three Canadians in four support the reinstatement of capital punishment for murder. But more recently, that support has appeared to decline sharply. The *Maclean's*/Decision Poll indicated that 44 per cent of Canadians now say that they are convinced that Canada should bring back the death penalty. Such statistics undercut the argument of MPs that, by pressing for a return of capital punishment, they are reflecting the will of a substantial majority of Canadians.

As telling a poll result for MPs is its indication that most Canadians are skeptical of Parliament's ability or determination to take a tough law-and-order position. Two out of three respondents predicted that Parliament would not reinstate the death penalty. And three out of four said that in any case the issue should not be left to

## PARLIAMENT'S ROLE AND THE DEATH PENALTY

(rounded percentages)



Will Parliament vote to bring back the death penalty? 26

Yes 26

No 28

How do you expect your own MP to vote on the death penalty? 12

To restore capital punishment 12

Against capital punishment 19

MP undecided 21

Respondent does not know 47

(An updated March poll of MPs by *Maclean's* last week showed 44 per cent of MPs were for restoring capital punishment, 32 per cent against, 14 per cent uncommitted, 9 per cent no response)

If your MP's stand on the death penalty differed from yours, would that alone make you vote against him or her in the next election? 75

Yes, would vote against 75

No, would not vote against 23

Should the capital punishment case be decided by all the people in a national vote or by our elected representatives in Parliament? 74

National vote 74

Parliament 26

After speculation that the Senate might reverse any House of Commons decision to restore the death penalty, would you say: 47

The Senate should never have such power 47

The Senate serves a useful purpose 50

Respondent positions on capital punishment by party affiliation:

	PC	LIB	NDP	Cons	Other
Favor/leaning to death penalty	68	61	55	56	
Oppose/lean against capital punishment	31	37	44	42	
All respondents	24	31	19	25	

politicians, but should be settled, ruled by a nationwide plebiscite.

On the other hand, the poll results indicated that MPs who go against their constituents' wishes in the vote on capital punishment would not necessarily be in political jeopardy as a result. A significant 71 per cent of the respondents said that they would not vote against their MP in the next federal election simply because the MP's position on the question differed from their own. "If my MP voted against reinstatement, I would still vote for him," said poll respondent John Steward, a retired air craftsman who lives in Toronto, Ont., and who says that he would like to see a return to capital punishment. "He has to represent a lot of people, not just me. And he has his own conscience to live with."

Stake For MPs on either side of the capital punishment debate, the poll suggests that the political risks may be minimal. Indeed, some parliamentary strategists indicated last week that the government's tactic of pressing for a vote before Parliament's scheduled summer recess on June 10 was designed to satisfy both sides of the warring camps in the "key caucus." By threatening to force a closure rule to curtail debate and force a vote, Mackenzie and Lewis gave in to pressures from hardliner Tory advocates of capital punishment and the others who support them. At the same time, by agreeing under pressure from opponents of capital punishment to permit debate to proceed this week, and by scheduling Mulroney's speech, the government reassured Tories that it had reneged on its commitment to a full, fair and free debate.

Still, opponents of the government tactics said that they felt cheated. Said Alexworthy, referring to the government's threat to involve closure: "That is the first bell-like sign of an authoritarian mind—that they are afraid to put their own ideas and their own convictions out for public exposure."

—BILLY MACKENZIE on Ottawa

# DOUBTS AND DIVISIONS

**A**mong the three out of five Canadians who either mildly support bringing back capital punishment or who lean toward that position, there is no clear-cut profile of a typical defender. Nor is there a typical opponent. But in their broadest outlines, based on The Montreal Star's Debates Poll and dozens of interviews with 40 of the 1,800 respondents, the two groups illustrate a clear-cut Canadian duality. The person most likely to voice the majority position in favor of capital punishment is an English-speaking Protestant from the West who votes Conservative. And the person most likely to oppose the death penalty is a French-speaking Roman Catholic who lives in Quebec and votes Liberal. Said Michael Stasak, 45, a dyer from Châteauguay, B.C., who says that he favors the death penalty: "Generally, the way things have been going, nothing else is going to deter them. The system is too lenient on criminals."

But Girard Dutil, 46, a printer from Sherbrooke, Que., declared: "The Bible says I shouldn't kill, so I see no justification for doing it."

**What?** But more striking than their differences are the views that both sides share—namely the belief that violent crime is on the rise and that the current justice system is incapable of stemming it. "I believe strongly that every life is vital and should be preserved," said Frank Goodrich, 56, a retired public relations consultant from Winnipeg who, despite his belief in the sanctity of human life, says that he reluctantly supports a return to capital punishment. That ambivalence turns up constantly beneath Canadians' basic position on capital punishment. And as well as concerning the topics of language, regionalism, politics and religion, The Montreal Star's Debates Poll provided relevant

data on the way in which respondents' opinions related to such factors as sex, education and levels of income.

Overall, only 37 per cent of those polled said that the death penalty should be brought back, with 24 per cent leaning toward that stand. Roughly 50 per cent of those people said that violent crime and murder have increased over

troubled the death penalty, compared with 38 per cent of English Canadians. But although 40 per cent of English Canadians said that the state should not take a life under any circumstances, a significantly higher number of French Canadians—66 per cent—voiced that opinion. The regional divisions are even more telling: 72 per cent of people living in the Prairies said either that they favor capital punishment or are leaning toward it, compared with only 51 per cent of Quebecers. And although 70 per cent of Quebecers said that violent crime has increased recently, 80 per cent of those in Prairie provinces agreed.

**Wrong?** Bellgus also has a bearing on attitudes about the death penalty, with Protestants in general—and Anglicans in particular—more likely to favor it than Catholics. Fifty-six per cent of Catholics said that it is wrong to kill in any circumstance, compared with 42 per cent of Protestants and 41 per cent of Anglicans. As well, far more Anglicans said that they favor the reinstatement of capital punishment than Catholics: 46 per cent compared with 30 per cent.

Education and sex both evidently helped to determine poll respondents' opinions. Forty-five per cent of those with some high-school education said either that they favor or are leaning toward the death penalty, compared with 36 per cent of university graduates and only 40 per cent of those with postgraduate degrees. Forty-one per cent of men said that the government should institute capital punishment, compared with 52 per cent of women. Although roughly equal numbers of men and women said that they see either leaning away from capital punishment or are fully opposed to it, on the other side of the issue the sexes are divided by their degree of certainty: 38 per cent of women



Proposer of figure capital punishment might switch a few heads?

the past decade—but so do 72 per cent of those who oppose restoring the death penalty. And four out of five 50-year-olds who are against capital punishment say that murderers are being released from prison too soon.

**Form:** The most striking differences in opinion are down largely in linguistic and regional lines, with the francophone speaking French and living in Quebec. Thirty-five per cent of French Canadians said that Parliament should

96 per cent of university graduates and only 40 per cent of those with postgraduate degrees. Forty-one per cent of men said that the government should institute capital punishment, compared with 52 per cent of women. Although roughly equal numbers of men and women said that they see either leaning away from capital punishment or are fully opposed to it, on the other side of the issue the sexes are divided by their degree of certainty: 38 per cent of women

# IMPRESSIVE

## THE 1987 TOYOTA CRESSIDA. A LUXURY SEDAN DESIGNED TO DRIVE!



Choosing a luxury sedan is anything but easy. There is so much you want your car to do it has to make a statement. So that means dynamic styling. It has to be thrilling to drive. So that means good performance and handling.

And since it is a luxury sedan, its comfort level has to approach downright elegance.

No grand touring sedan today meets all your expectations better than the 1987 Toyota Cressida.

With an aggressive European design, created by a functional front air dam, aerodynamically designed headlights, flush-mounted windows and wrap-around rear fenders, Cressida's smooth lines say road car immediately.

A 2.8 litre electronically fuel-injected, double overhead cam engine creates 156 horsepower for exciting response. And a handling package that includes power rack-and-pinion steering, an independent rear suspension and 205-60 series 15" all-season steel-belted radials say this is one performance sedan that's ready to perform.

Cressida's plush interior entices you in comfort and convenience. There are optional power seats, offering an 8-way adjustable passenger seat and a 10-way driver's seat with 3-position memory.

An electronically-controlled 4-speed automatic overdrive transmission for power efficiency. A full-digital instrument panel.

One-touch cruise control. And an AM stereo-FM stereo auto-reverse cassette with a four-channel amplifier and equalizer.

Options that include full leather and a computer controlled sunroof increase Cressida's luxury level beyond your expectations.

**WE WARRANTY QUALITY 5100**

51000-hour warranty and 100,000-mile warranty. Toyota's 5100-hour warranty is the longest in the industry. It covers the engine, transmission, drive shafts, axles, suspension, steering, and brakes. It also covers the power windows, power locks, power mirrors, and power seats. See your Toyota Dealer for details.

The 1987 Toyota Cressida Executive. It does everything right because it's a luxury car designed to drive.

See your local Toyota Dealer for information on buying or leasing a 1987 Cressida.

**WHO COULD ASK FOR ANYTHING MORE!**

**TOYOTA**

men said that they are leaning toward the death penalty compared with 18 per cent of men. As well, most women than men—31 per cent compared with 48 per cent—said that it is wrong to take a life under any circumstances. And 83 per cent of women, compared with 75 per cent of men, said that they are concerned about the possibility of executing innocent people.

Among the 37 per cent of respondents who most strongly supported the death penalty, pollsters found that many expressed mixed feelings. Anne-Marie Lalonde, 38, an executive from St. John's, Nfld., said that she is in favour of capital punishment because of

the chance that an innocent person might be killed and because "it is a very primitive way to carry out justice." But despite that, Lalonde said that she favors bringing back the death penalty for serious crimes. The poll showed that although 76 per cent of respondents favored executing child-murderers, only 26 per cent supported the death penalty for people who had killed someone during a domestic dispute.

Disputes: Those most in favor of capital punishment expressed the greatest disgust with what they said is a growing wave of violence engulfing Canadian society. Declared Cyril Hearn Jr. of St. John's, Nfld., "It seems like there's no slowing down the crime rate in the past 10 years, especially dealing with murder and terrorism. The law doesn't just protect the guilty, so I figure capital punishment might just work a few hands." Almost without exception, people most in favor of capital punishment cited B.C. serial murderer Clifford Olson. Said Wallace MacRae, 75, a retired truck driver from Hudson's Hope, B.C.: "He should be taken out and hung, shot or drowned in public."

Outrage over a legal system that many respondents said is too lenient extended beyond the ranks of those who said that they favor the death penalty. At the same time, 67 per cent of those who favor executions said that they are concerned that they might result in the death of innocent people. But the same number that most clearly separates the two camps is belief in capital punish-

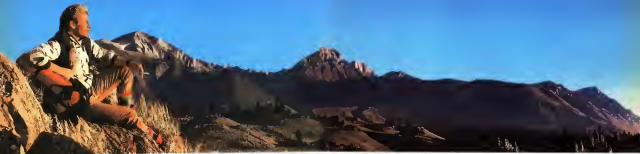
ment as a deterrent to potential murderers. Eighty per cent of those who favor the death penalty said that it will deter murder, compared with 27 per cent of those who oppose capital punishment. And regardless of their basic opinion on capital punishment, 71 per cent of people with household incomes under \$10,000 a year said that they believe in deterrence, as opposed to 61 per cent of those earning \$20,000 to \$29,999 and 50 per cent of those earning \$30,000 or more. In addition, the view is held by 71 per cent of high-school dropouts but only 37 per cent of university graduates.

**GOVERNMENT** **REACTS** **TO** **THE** **POLL** **RESULTS** **AND** **THE** **DEATH** **PENALTY** **DEBATE** **IN** **NEW** **FOUNDLAND** **AND** **LABRADOR** **AND** **NEW** **BRUNSWICK** **AND** **PEL** **AND** **QUEBEC** **AND** **SASKATCHEWAN** **AND** **YUKON** **AND** **ONTARIO** **AND** **MANITOBA** **AND** **ALBERTA** **AND** **BRITISH COLUMBIA** **AND** **PRINCE EDWARD ISLAND** **AND** **NEW SCOTIA** **AND** **ATLANTA** **AND** **CHICAGO** **AND** **LOS ANGELES** **AND** **NEW YORK** **AND** **WASHINGTON** **AND** **PHILADELPHIA** **AND** **BOSTON** **AND** **MIAMI** **AND** **HOUSTON** **AND** **DALLAS** **AND** **SEATTLE** **AND** **PORTLAND** **AND** **MINNEAPOLIS** **AND** **ST. PAUL** **AND** **ST. 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# Player's

A taste you can call your own.



Warning: Health and Welfare Canada advises that designs in health products with unusual smoked - avoid inhaling  
Avoids not cigarette Player's Light, Regular, Blue, 10 mg nicotine, Blue Soft, 10 mg, 10 mg, 11 mg nicotine





Ferocious women and children facing the threat of extinction as the goldpans roll into their ancestral lands

WORLD

## An imperilled people

They live in costly seasonal huts in forests and hills straddling the Brazil-Venezuela border, deep in the heart of untamed Amazonia. They wear clothes and, instead, decorate their bodies with red awamu dye, feathers and flowers. They hunt—and light—with bows and arrows, and some still use stone tools. First identified by explorers in the 18th century, they are known as the Yanomami (or hamaripi) Indians, and at 20,000 strong they are the largest remaining primitive group in the Americas. But the center of their region—the scrub-covered Saracama ridge overlooking the dense rain forest on the Brazilian side of the border—is also believed by some to be a veritable *clandestine* of gold, diamonds, uranium, tin and iron. And a new government plan to develop the Amazon, including Saracama, has set off a heated debate over the very survival of the Yanomami.

For the two-year-old civilian government of President José Sarney, the treatment of the Yanomami is a test case of its handling of the vital Amazon issue. Sarney has promised to develop Amazonia without destroying it. As part of his plan, he has approved a

military-run program called *Calha Norte*, or Northern Hindwaters, whose existence was unofficially disclosed to the media last year just after construction had already begun. The program is designed to establish a string of army outposts along 5,000 km of northern frontier, both as a security measure and as a vanguard to settlement. But many critics argue that *Calha Norte* would damage the wilderness ecology and be tantamount to genocide of the Yanomami. In fact, some critics say that the Sarney government, pressured by the mineral-hungry private sector, has been more indifferent to the fate of Brazil's Indians than past military regimes.



In one sense *Calha Norte*—financed entirely with Brazilian funds—has provided a new sense of purpose for the military, which gave up power in 1966 after ruling Brazil for 22 years. Army officers owe a number of security threats. To the west, they say, they must guard against incursions by the well-armed guerrillas of Peru's "Shining Path" and Colombia's M-19 movements, as well as against drug traffickers. To the north, territorial disputes between Venezuela and Guyana could spill over into Brazil, while Saracama's military regime is considered a destabilizing influence. Above all, military planners say that they must to isolate Brazil from the conflicts that lie even further south in Central America.

Under the *Calha Norte* program, each of the four military outposts planned so far is to be occupied by 30 soldiers and their families. In turn, the outposts are to lead to such projects as new high-

ways and electrification, and to help to populate the area with local people (farmers). At the same time, the military has promised to aid the Yanomami who live in Saracama, Brazil's northeastern federal territory. Some anthropologists say that if the army makes good on its promise, *Calha Norte* would provide improved health care for the Indians and curb the independent prospectors whose armadas have often proved disastrous in Amazonia's tribes.

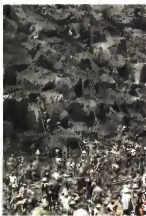
Romeo José Filho, director of the state Indian affairs bureau, FUNAI, maintains that his agency now has increased power to help the Indians. FUNAI officials also want to accompany soldiers on patrols—where they will encounter naked Indian women—and advise them to keep their diseases. "The army doesn't know the aggressive capacity of the Yanomami," said Francisco Bezerra de Lima, head of the FUNAI post at Saracama. "They are a warrior nation, and if the soldiers misbehave, the Indians will kill them on the spot."

José Filho said that the *Calha Norte* plan also guarantees Indian territory in Amazonia. Although an area almost twice the size of Nova Scotia has been provisionally set aside for the Yanomami and closed to outsiders since 1952, the Indians are not yet protected by a legal reserve. Since 1979 the Commission for the Creation of the Yanomami Park, an independent group financed by the Norwegian government and a British charity, has been pushing for legal recognition of a combined ecological and Indian sanctuary, and a bill proposing the park has been tabled in the Brazilian senate recently.

But interior minister Rondonia de Castro said that Sarney would issue a presidential decree creating a Yanomami reserve later this year. But Indian support groups—chief among them Roman Catholics of the Indigenous Council of Missions (CIMI)—remain skeptical. "The government and FUNAI always make promises," said João Gaiger, a CIMI official in Brasília, "but when have they ever delivered?" Gaiger cited the case of the Waikuru-Amorim Indians, whose reserve was created by presidential decree in 1971, only to be broken up in the late 1970s—also by presidential decree—to allow private development of a tin mine. CIMI officials note that *Calha Norte* is merely the last wedge of a master plan to develop Ama-

zonas at the expense of the environment and the Indians. And Gaiger noted that other projects are proceeding, including a string of massive dams that, according to preliminary studies, will adversely affect many Indian areas.

Yanomami leaders also seem worried. "I don't think we can live with the army posts," said Dani Krimaa, a well-known leader who works for UNIA. "If we allow them, they will fill up the area, leaving it off to stop on hunting or fish-



Amazon gold mine prospectors leave a trail of destruction

ing or cooking and workers who put on diseases." In fact, centuries of isolation have made the Yanomami extremely vulnerable to diseases brought by whites. While running a FUNAI outpost in 1974, Xavier saw a whole community of his people die of measles, malaria and flu during a government attempt to build a northern perimeter road—one that is now closed and reverting to forest.

The calamitous effects of some Amazon development have become increasingly clear to international leading agencies. In 1983 the World Bank held up loans for a \$405-million development project, including reconstruction of a highway through the states of Mato

Grosso and Rondônia, because the government had let in a flood of settlers, lumbermen and prospectors before establishing measures to control their land-use. The bank, which had earmarked \$34 million for the development project, resumed payments only after the government hurriedly completed the paperwork for the reserves. Still, Betty Mindlin, an anthropologist who conducted a São Paulo University evaluation for the bank, said that more than half the Indian areas were not protected by the project, which she dubbed a "fiasco."

Now the Inter-American Development Bank (IDB), which lends funds for development in Latin America, has also begun to question aspects of its involvement in the Amazon. After the World Bank refused to finance a 200-km extension of a highway from Rondônia northward to Acre state, the IDB stepped in with a \$70-million loan. The bank also helped finance the promise of setting aside Indian lands in the area. But last year the government simply halted that effort. And contractors have been trying to complete the extension by next year—before any new reserves can be legally proclaimed. As a result, the U.S. Treasury department has suggested that the IDB suspend funding, and Brazilian fear that the bank may do just that.

Even without the involvement of international banks, the *Calha Norte* battle seems likely to intensify. Although early geological surveys have been disappointing, Brazilian Air Force Minister Celso de Menezes Lima (elected recently) said that there is enough mineral wealth buried in the

*Calha Norte* area to "bring about all our \$100-billion foreign debt." With as much opportunity as gold—and the Yanomami suffering increasingly on much of it—even army support groups say that the Yanomami cannot resist change entirely. They view the proposed reserve as the Indians' last hope for survival. "I don't think the Yanomami to adapt without being exterminated," said Carlos Zaquiari, an Italian missionary. "It will take them some generations to progress from the Stone Age to the nuclear age." Whether they get that chance may depend on the power—and the priorities—of the Brazilian government.

—BOB LEVINE with EDWARD HENNE in São Paulo, Brazil



# "Lord, teach us to pray"

The need for prayer—especially in times of danger or anxiety—is intensive in almost every year, but many people regard it chiefly as a means of obtaining God's favor. And when everything they pray for is not granted, they often wonder if God is really listening.

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1662



Students fighting police in Seoul: riot and the prospect of martial law

### SOUTH KOREA

## Dark days of rage

By the time of thousands they rained-pelted through the streets of Seoul, throwing rocks and gasoline bombs at waves of helmeted riot police. The police responded with harangues of pepper tear gas. But at one point near the imposing Bank of Korea, the nation's central bank, the otherwise scarred police ran low on gas, and the rioters—mostly students—seized their helmets and shields and burned them. The street fighting, which raged throughout last week, flared not only in Seoul but in key provincial cities around South Korea. And on Friday, Prime Minister Lee Hae-kye warned on television that if the passions outlasted the government might be forced "to make an extraordinary decision"—an apparent reference to the imposition of martial law. That did not help. Hours later in Taejeon, a city south of Seoul, demonstrators drove a commandeer bus into a group of policemen, killing one.

The protests, backing demands for constitutional reform, may finally be having an impact on the authoritarian government of President Chun Doo-hwan. On April 18 Chun suspended discussions with the opposition Restoration Democratic Party (RDP) about constitutional changes that would allow direct election of presidents. Then, on June 18 Chun named former army general Roh Tae-woon to succeed him next February after an elected college poll, which critics allege would be rigged in favor of the ruling Democratic Justice Party. Last week, after

10 days of rioting, Roh insisted that the April 18 decision "cannot be revoked," but he added that "we are ready to reflect the people's aspirations for revision of the constitution."

He was under increasing international pressure to do just that, particularly with Seoul's Summer Olympic Games scheduled for September, 1988. Last week President Ronald Reagan sent a letter to Chun urging him to take steps toward full democracy.

The depth of South Korea's discontent is evident not only among the radical students but also among the wretchedly middle class. Last week union workers and shopkeepers joined in the demonstrations to express their frustration over a political system that has bestowed economic blessings but little freedom. In the past, said export manager Kim Kye-bee during one protest, "I was afraid to talk." He added, "Now, you tell the world: Chun is no good."

It remains unclear whether government hints of conciliation will defuse such attitudes. Last week RDP chairman Kim Young-seon called on students to refrain from violence. But observers say that the students may not react to the calls of the moderates. One signal will emerge this week as students leave their campuses for summer vacation. But it will clearly take far more than the closing of schools to end South Korea's dangerous days of rage.

—BRIE LINTY with LES MOUTON in Seoul

### AUSTRIA

## The Pope's precedent

The invitation came as a surprise—and to some, a shock. Last week the Holy See announced that Austrian President Kurt Waldheim would be a guest of Pope John Paul II at the Vatican on June 25—his first official foreign visit since his election a year ago amid allegations that he had been involved in Nazi war crimes. But the invitation was not what it seemed. Indeed, it appeared to be more a matter of protocol—the acceptance of a 1983 invitation to the president of Austria Rudolf Kirchschläger—than an invitation to Waldheim himself. Still, there was an immediate response to the announcement.

In Austria, which is 85-percent Roman Catholic, there was jubilation. But in Jewish circles throughout the world, there was outrage. In New York, Elan Steinberg, executive director of the World Jewish Congress, described the Waldheim visit as "a tragedy for the Vatican and a sad day for Catholic-Jewish relations."

For Waldheim, the planned Vatican visit was a personal satisfaction. Since his election in June, 1986, other western leaders have snubbed him. On April 27, U.S. Attorney General Edwin Meese placed the former secretary general of the United Nations on an immigration watch list, which has him from entering the United States. Meese said that he took that action because of evidence that Waldheim had participated in the persecution of Greek and Yugoslav civilians while serving as a German army intelligence officer during the Second World War. But the Pope is likely to come under more criticism from Jewish groups for what they claim is his inconsistency in Jewish ties. Said Steinberg: "This is the Pope who met with [Palestine Liberation Organization leader Yassir] Arafat. This is the Pope who refuses to recognize Israel."

During an official visit to Washington last month, Austrian Chancellor Franz Vranitzky failed to persuade U.S. officials to remove Waldheim

from the watch list. The day before the Vatican announcement Austrian diplomats in Washington delivered a formal note demanding the lifting of the ban on Waldheim for lack of evidence.

Reports of the Vatican visit—appearing on June 18, the Catholic Feast of Corpus Christi and an Austrian national holiday—made front-page headlines throughout the country. But although most Austrians, especially those in the conservative countryside, cheered the announcement, Austrian radio pointed out that the Pope had little choice but to invite Waldheim. During the pontiff's 1985 visit to Austria, he issued a pastoral invitation, and, with another papal trip to Austria due late next year, protocol demanded that the Austrian president—whenever he might be—should visit the Vatican first.

As well, it appeared that power struggles within the church may have influenced the Vatican's decision. Last year the Pope made a controversial appointment, naming conservative Hermann Groer as Archbishop of Vienna.

Then, two months ago the Pope chose another conservative, Kurt Kren, as Groer's successor. When Kren arrived at St. Stephen's Cathedral for his ordination, he landed on March 8, two policemen had to carry him over the prostrate bodies of Catholics who were trying to stop him from entering the church. Despite his opposition from within the diocese, Waldheim supported both appointments. And now some Viennese Catholics say that his Vatican visit may be his reward.

Waldheim's Vatican visit will almost certainly sour Catholic-Jewish relations as much as Arafat's 1982 meeting did. And while it may bolster Waldheim's tarnished image, the visit does not seem to signal that the Pope has taken a stand as his wartime role. A Vatican official said that there had been "no consideration of Mr. Waldheim's past, so far as it lines."

—SEE MATTESMAN in Vienna



Pope John Paul protocol



Waldheim satisfaction

FROM

# UNIVERSAL PICTURES

JUNE

A comedy about a typical family and the unusual house-guest who changes all their lives

## HARRY and the HENDERSONS

John Lithgow, Kevin Kline, Peter Hall, Melinda Dillon, David Suchet, Joshua Ruddy, Don Ameche, Laurie Kuzan

JUNE

A contemporary action comedy at coos and snobbers

## DRAGNET

DAN AYKROYD • TOM FRANKS  
CHRISTOPHER PLUMMER  
HILARY SWANK  
DARREY COLEMAN  
Directed by TOM MANKOWITZ

JULY

This time it's personal

## JAWS

THE REVENGE

Loraine Gary, Lance Guest  
Mamie Van Doren, Karen Young  
and MICHAEL CAINE  
Directed by Joseph Sargent

JULY

## NORTHSHORE

# Tension in talking

With less than 3½ months left before Canadian and American negotiators must present a free-trade agreement to the U.S. Congress, there are still "big tasks to meet" and "hurdles to take," according to Canada's chief negotiator.

Simon Reisman will not reveal the precise nature of the problems plaguing the talks, but some participants contend that understaffed, overworked U.S. negotiators have not had time to respond to Canadian proposals and other observers argue that personality conflicts are causing trouble. Reisman and his immediate superior, International Trade Minister Pat Carney, are widely reported to feign each other while, other informed sources say, Reisman and his U.S. counterpart, Peter Murphy, are barely on civil terms. Then last week, amid a Reisman-Murphy bargaining session in Washington, it became apparent that the talks have hit some serious obstacles. Prime Minister Brian Mulroney postponed a June 22 meeting to discuss free trade with the premiers because the United States had not responded to several key Canadian demands, and there was no draft agreement to show the provincial leaders.

After 13 months of negotiating, major differences still separate the two sides on some of the most important issues. As a result, the negotiators are feeling increasingly intense pressure to produce an initial agreement by early October in order to meet congressional deadlines. At the same time, the Manitoba and Ontario governments are raising their concerns about the outcome of the talks. Manitoba provincial trade representative Robert Adams says that the federal government has not answered fundamental questions about how an agreement will be implemented if it touches on areas of provincial jurisdiction. And Ontario Pre-

mier David Peterson frequently complains that Ottawa is withholding critical information from the provinces. "The big question is what would you give us," Peterson told Mulroney. "Those are the decisions. If they have been made, we don't know about it."

According to two provincial trade

negotiation offices under Reisman, American negotiator Murphy has a group of about five people dependent under him at the Office of the Trade Representative. Beyond that, he has access to a network of about 40 officials in other departments who are working full time on the trade talks.



Reisman, personality conflicts, provincial concerns and the trade talks near the deadline

representatives, the talks are becoming bogged down not only because of the complexity of the issues on the table but also because the U.S. negotiators do not have the same resources as their Canadian counterparts. They say that Reisman has not had responses to proposals or counterproposals on such major issues as U.S. trade law, industrial subsidies, regional development, and the role of the provinces in the negotiations. One provincial trade representative well-versed with both Reisman and Murphy said that the Canadian is aggressive, bombastic and pushy while the American is quiet and low-key. "If they stood on opposite sides of the table and yelled at each other, we would

know what they were saying," said one senior official each. These informal talks sometimes last after midnight. "That's where a lot of the serious work is done in a very interesting way," said one recent participant. "It's this business of trying to understand what the other guy's bottom line is, and give him a sense of where yours is."

Some insiders downplay the role of personalities in the negotiations. One provincial trade representative well-versed with both Reisman and Murphy said that the Canadian is aggressive, bombastic and pushy while the American is quiet and low-key. "If they stood on opposite sides of the table and yelled at each other, we would

probably have a problem," he said. "But I don't see that happening." And a senior official in Reisman's office said that the negotiators have developed a healthy mutual respect. "Nobody goes mad at anyone," he said. "But there are some very forceful confrontations on some issues."

The same official also argued that each formal bargaining session is a complicated ritual for Reisman and Murphy. "It's a very real scene, each chief negotiator has two negotiators sitting on at once," he said. "One is with the other guy. The other is with his principals." Following the daylong formal sessions, Reisman and Murphy usually have a heads-of-delegations meeting over dinner, accompanied by

wikipedia who has no influence on his home town." The same adviser contends that Reisman's relations with Carney are almost unproblematic. If it were a marriage, the two would be in the middle of very bitter divorce proceedings, the adviser said, adding, "Cabinet briefings tend to be not the most crisp and organized events, in no small part because of the two of them."

For some provincial trade officials, the informal discussions between heads of delegations are a major source of anxiety. These men will discuss the negotiations with their principals. Reisman and Murphy keeps them well-informed about what happens at the formal meetings, but leaving each session with Murphy, he

initially warned that Ottawa might bargain away the Canada-U.S. Auto Pact without fully notifying Ontario. But one Ontario trade official conceded that the federal government could not negotiate effectively if it revealed how much ground it is prepared to yield to the United States.

If the two sides reach an agreement, the approval process is clearly defined in the United States. The Reagan administration is negotiating under a so-called fast-track authority from Congress, which expires on Jan. 3. An agreement must be presented to Congress no later than 90 days before the deadline, to allow for public hearings. After that, the House of Representatives and the Senate must approve or reject the package in its entirety within 90 days.

For its part, the Mulroney government has no agreement with the premiers on approval of any free-trade deal that touches on both federal and provincial jurisdiction. Bold Bruce Phillips, the Prime Minister's communications director, "The Canadian government has the unprecedented constitutional power to make international agreements that bind the country." Still, a free-trade pact would likely be submitted to a joint Senate-Commons committee for review or it would be the subject of a parliamentary debate, he said. But Phillips added that the opposition of a single premier likely would not prevent the federal government from signing an agreement.

On the other hand, Peterson has insisted all along that the provinces have a veto. And Manitoba representative Adams said that his government is becoming increasingly alarmed about the role of the provinces in approving and implementing an agreement. With such major issues still unresolved, a deal can only be reached after intense last-minute bargaining and compromise, he said.

As a result, the negotiators may not have much time to consult with the provinces. Adams said that the Manitoba government has expressed concerns on several occasions but has received only vague assurances from Ottawa. And even if the federal government can impose a trade agreement unilaterally, it is clearly in its interests to overcome as much of the provincial opposition as it can. The provinces are still willing to hear how much time will be allowed for public review and assessment of any agreement—or, indeed, whether any assessments at all will be possible.

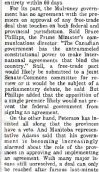


Murphy, reports of respect and friction between the two chief negotiators

broads provincial officials through a conference call or at a meeting of the existing committee on trade negotiations. They go over the agenda of the meeting and what each side proposed.

But Ontario's Peterson, for one, said that neither Reisman nor his political superiors are telling the provinces what trade-offs they are prepared to make in the negotiations or what fall-back positions they have adopted. "They are fiddling around with the details," said Peterson. "We don't know because they don't know what's going to happen on the big issues."

Peterson expressed his concerns in a May 25 letter to Mulroney, which was reported last week in *The Toronto Star*. He said that he is par-



—WALTER DUNNIE AND LARRY ADAMS in Washington, Michael J. GORMAN in New Orleans, and JOHN W. LEMLEY in Toronto

# Belzbergs on the prowl

When the Belzbergs of Vancouver purchased Standard, Conn.-based Scovill Inc. in 1985 for \$740 million, many analysts predicted that the bold gamble would be the family's financial undoing. But 2 years later, they have turned the Scovill move into a major victory. On June 1 a US subsidiary of the Belzbergs' Vancouver-based First City Financial Corp. Ltd. sold

two Scovill subsidiaries for \$416 million—bringing their total revenues from Scovill asset sales to an estimated \$683 million. Then, last week, the Belzbergs, who have developed a reputation as Canada's foremost corporate raider, pushed ahead on another front when they joined with a group of Australians to purchase controlling interest in a financially troubled, disreputable firm, Core-Mark International Inc. of Richmond, B.C. The family has also set its sights on a New Jersey electronics retailing firm, Cray Edie Inc., and other major acquisitions. Said Samuel Belzberg, 50, First City's chairman and chief executive officer: "We are in the market for a large manufacturing firm."

The current push to expand the First City corporate empire, which currently boasts assets of \$4.6 billion, is the result of lessons that the family learned when it ran into trouble over its ambitious takeover of Scovill in 1985. Belzberg said last week that the family initially made a number of mistakes. In fact, he added, if the family structured the deal properly, Scovill, a mechanical manufacturing conglomerate, could have generated the steady income that it is now looking for from future acquisitions. First City financed the Scovill deal with \$208 million of high-interest bonds, but Scovilla's management, said Belzberg, did not co-operate in selling off the company's weaker units rapidly in order to cut the financing costs. Said Belzberg: "If you don't move quickly, people think that there is something wrong with the assets."

The Belzbergs purchased new management for Scovill in 1986 and began selling off its assets. Belzberg said that he wanted to obtain and build up two of Scovill's units—Nortec Inc., which manufactures carbide chimes, and Yale Security Inc., which makes locks. But when the British firm Vicer Ltd. offered \$64 million for the two firms last month, Belzberg said, he could not turn it down. Analysts who calculated the total revenue generated by cash-bulking Scovill in 1985 (million also

by the Australian, will hold options on one million nonvoting Core-Mark shares at \$3 a share. And in addition, the voting rights to approximately 280,000 shares have been transferred to a numbered Vancouver company that is 49.99-per-cent controlled by First City and Coppens-Werk. Anthony Repensberg, Core-Mark's acting chief executive, told *Monline's* that he is now awaiting a decision will be sold or cut back to return Core-Mark's share price to the \$16 range at which it once traded.

The Cray Edie scenario differs only in the way in which the shares purchased is structured. Sam Belzberg's son, Marc, 32, operating through First Capital, and Cray Edie's reclusive founder and chairman, Edie Anttar, are offering Cray Edie's shareholders \$9.78 for each outstanding share. But bidding for the company, which is worth close to \$248 million, in-levered, low weeks ago when Entertainment Marketing Inc. of Houston offered \$19.72 a share. Still, Belzberg said last week that the family has not given up, and he left the possibility open that First City Capital would make a counteroffer.

In those and other operations, the Belzbergs—Samuel, two brothers, a son and a nephew—say that they have genuine aspirations as merchant bankers, and are not simply corporate raiders. Still, a Vancouver investment analyst, who follows the family business closely, said that a perception persists that the Belzbergs are stock-market opportunists who would rather break up companies for a profit than build them. That negative image has been reinforced by a year-old action by the U.S. Securities and Exchange Commission against Marc Belzberg. The suit claims that Belzberg purchased more than five per cent of Asplund Oil, Inc., in a 1986 takeover run at the company, but broke U.S. securities law when he failed to report it. Ruling on the matter in expected by the end of June. But from Vancouver, Samuel Belzberg continues to steer the company on an acquisition course, looking, he says, for a solid and dependable revenue base.

—DON FENNEL, in Toronto



Samuel Belzberg: a profitable takeover and a growing family empire



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Hardwearing sales; Wilson (below), the proposed sales tax could cover everything from haircuts to supermarket shopping.

# CAUTIOUS REFORM

It first appeared in 1947 as a patriotic—and supposedly temporary—measure to pay for Canada's contribution to the First World War. But when the war ended, income tax went on, growing somewhat and sub-amendments with barely bureaucratic life. In the past 15 years alone, there have been about 900 amendments to the Canadian Income Tax Act, which now sprawls across 1,400 confounding pages. Using loopholes contained in those complex amendments, four per cent of Canadians with more than \$190,000 in income paid no income tax at all in 1994. Even more startling, 110,000 of Canada's 220,000 profitable corporations paid no income tax in 1993. As a result, when Finance Minister Michael Wilson, sporting a white carnation and a wavy smile, rose in the House of Commons last week to



Wilson

introduce his historic package of tax reform proposals, was disgraced with his white paper's central theme, the present system is not fair. "The tax system must have the respect of Canadians," Wilson declared. "We know that it does not."

**Cuts:** To earn that respect, Wilson proposed to overhaul three areas of federal taxation: personal, corporate and sales. In the first stage, which is scheduled to begin next Jan. 1, Ottawa will lower taxes for 8.9 million households and raise them for 1.5 million others. To pay for that cut, Wilson will reduce or nix out a range of corporate tax preferences (page 41). He will also apply the federal sales tax to more companies—and as a result, to more products.

In the second and more controversial stage of tax reform, a multistage sales

tax will replace the existing federal sales tax on manufacturers and some wholesalers (page 46). That tax could affect every transaction, from producer to retailer—covering everything from hardware and legal fees to the movement of food from farm onto its supermarket shelf. That tax increase—at an unspecified date—is intended to fund additional cuts in personal and corporate taxes. To Wilson, those changes merit Ottawa's test of fairness: "Special breaks have made income tax more and more complicated and less and less fair," he said the floor. "Further action is needed to restore faith and trust in the system I am taking that action."

**Relief:** Still, Wilson's actions went cautious—and carefully calculated—until he tried to ruffle the minimum number of feathers in the wake of his announcement. Many corporate leaders brooded upon the risk about what he did not do. John Haug, director of taxes at the Toronto office of Cleverdon Gordon, noted, "Everybody expected serious and radical tax to be together." Added Michael Mansford, chief economist at Merrill Lynch Canada Inc.: "The document is evolutionary, not revolutionary." And the research department of Melroe Young Weir Inc. concluded in a report to the firm's clients that:

"It appears to be an exercise in soft, shorter-term reform rather than the sweeping revolution that some had feared."

Despite its limited scope, the package contained enough appealing provisions to attract most interest groups. In fact, former department officials fully acknowledged to *Money* that they designed the first stage of tax reform to appeal to the selfish interests of the majority of taxpayers. John Bullock, president of the powerful 78,000-member Canadian Federation of Independent Business, happily noted that the small-business tax rate will fall to 12 from 15 per cent. "We have priviledged small business and we are feeling pretty good," said Bullock. "Big business is going to pay its fair

share of taxes for the first time." Terrence Hamley, executive director of the Canadian Council on Social Development, applauded the fact that \$64,800 low-income Canadians will no longer pay income tax.

## AVERAGE INCOME

A teacher in Le Tique, Que., has a salary of \$21,850 and his wife makes \$2,875 doing part-time work. They have three school-aged children. They pay immediately under tax reform, paying \$266 less than under the current system but, with family expenses, could be hurt by anticipated new federal sales taxes.



	PRE-RATES AND DEDUCTIONS	PRE NO REFORM	PRE WITH REFORM
Income from family wages	34,555	34,555	34,555
Family Allowance	1,954	1,154	1,154
Interest Income	5,000	5,000	1,000
Total Income	36,719	36,719	36,719
Personal Deductions	7,515	7,575	—
Other Deductions	6,325	7,565	3,900
Taxable Income	21,979	22,389	32,819
Federal Tax	3,526	3,545	5,451
Minus Tax Credits	-1,620	-1,663	-4,202
Provincial Tax	3,226	3,226	3,226
Tax Payable	4,932	4,991	4,299

1. Difference in 1994 results from base refundable child tax credit.  
2. Interest after tax credit in case of interest deductions.  
3. Quebec provincial tax has been calculated in base by using an estimate.  
Source: Data from BDO OSL CMA CGI  
THE EFFECTS OF MANAGEMENT ACCOUNTANTS ON CANADA



Turner: relative revenue increases

"That in itself is a positive thing."

But there were also major losses. The overhaul and elimination of tax preferences, Wilson estimated, will raise an extra \$5 billion in corporate taxes over the next five years. Almost 80 per cent of that money will come from changes in provisions for the financial services sector, including a tax on the investment income of insurance companies. Wilson also cut back the capital-cost allowance program, which allows businesses to deduct the depreciation of assets from their income. Declared Mansford of Merrill Lynch: "The corporate tax structure looked like more of a revenue grab than I would have liked."

**Risks:** There were other bumps on Wilson's road to tax reform. The mere mention of the subject focused public attention on the corporate tax increases that the Conservative have imposed since taking office in September, 1984. The statistics tell a staggering story: Ottawa's take from personal income taxes is up almost 40 per cent—to \$42.6 billion in 1993, 1988 from \$29.3 billion in 1984-1985. In contrast, revenue from corporate income taxes has increased by only 5.6 per cent, to \$19.2 billion in 1993-1994 from \$18.4 billion in 1984-1985. The Tories have also imposed four increases in the sales tax since 1984—and extended it to such products as pet food and soft drinks. As a result, the revenue from federal sales taxes has shot up to \$12.7 billion in 1993-1994 from \$7.6 billion in 1984-1985—as an increase of 67 per cent.

Reacting to the tax reform while paper-boss opposition parties noted the small increase in corporate tax revenue—and the massive increase in sales and personal income tax revenue—Liberal Leader John Turner pointed out that Ottawa will pick \$22 billion more from Canadian pockets in 1997-1998 than it did in 1984-1985. Comparing that increase to Wilson's promise to cut \$1.1 billion from personal income taxes over the next five

years, Turner declared that "Canadians are still being" New Democratic Party Leader Ed Broadbent argued that the risk "will be the only people who will pay less [tax] than when the Conservatives came to power."

Social welfare groups were also wary of leaping too much ground as the Conservatives Kenneth Battle, president of the National Council of Welfare, scoffed at Wilson's claim that tax reform will remove \$80,000 Canadians from the tax rolls; his group estimated that Wilson has added at least that many low-income earners to the tax rolls since the Tories took office. Battle said, "It is unfortunate the damage be brought in over the past two years."

The tax reform package also raised the spectre of another federal revenue grab. Although Finance officials refused to consider any change in tax rates, interest groups voiced concern that a multi-stage national sales tax would sap billions from the pockets of unsuspecting consumers. Heavily criticized by the Canadian Council on Social Development, "The other shoe will drop a little later on."

**Credits.** The political attractiveness of Wilson's package lies largely in tax changes to personal income tax. Beginning next year, the current 10 tax brackets will be reduced to three. And the rates, which now range from six to 34 per cent, will rise from 17 to 29 per cent. At the same time, Ottawa will transform a range of traditional tax exemptions, including the basic personal exemption and the exemption for spouses and dependent children, into credits. Because tax exemptions are deducted from taxable income, a person earning \$10,000 and paying taxes at 34 per cent saves \$340, someone in a 17-per cent tax bracket who deducts the

same \$1,000 exemption saves only \$170. In contrast, a tax credit is a fixed amount subtracted from a taxpayer's tax bill. That change is good news for lower-income Canadians, because the

by Wilson in his May 1986 budget will be cut sharply—to \$100,000 from \$300,000, except for farmers and gains from small business. The dividend tax credit will drop to approximately 25 per cent of the value of the dividend from approximately 35.5 per cent. Deductions for meals and entertainment expenses will drop to 80 per cent from 100 per cent. The basic \$600 employment expense deduction will disappear, as will the deduction for \$3,000 of interest and dividend income.

**Suffien** Those changes have created winners—and losers. Suffien estimated that most salary and wage earners will benefit. But most who derive their income from investments or self-employment will suffer. Those Canadians could, in turn, alter their investment plans to take advantage of remaining tax preferences.

**Bob Zechman**, chairman and chief executive officer of Montreal's Charron Industries Inc., bitterly derided the reduction in the capital gains exemption and the reduction of the dividend tax credit. Declared Zechman, "Wilson is giving business a shot in the head, not a shot in the arm."

**Franklin Baruchman** of the capital-cost allowance program, which took immediate effect last week, also reckoned Canada's fragile film industry. Until last week, producers could write off 50 per cent of the cost of their investment during the year in which they made the investment—and the remaining 50 per cent in the following year. Now, only 50 per cent is deductible in the first year—followed by 30 per cent of the balance of the investment in subsequent years. From industry representatives' viewpoint, that amendment adds up to trouble. Michelle d'Amay, national director of the Canadian Conference of the Arts, called the change "devastating. I do not

know how the film industry will keep afloat."

Seniors Finance officials say that Wilson will ignore most complaints—although he may be forced to change the film provisions. Instead, Wilson will argue that salary earners will see their average tax bill decline to 19 per cent from 20.1 per cent of income. In contrast, taxpayers who are self-employed or who rely on investment income will see their average tax bill increase slightly, to 15.6 per cent of income from 15.4 per cent. As a senior Finance official cautioned, "They will still be ahead of the average guy. We will make them look like pliers."

Officials also calculated that two-thirds of all taxpayers have a taxable annual income of less than \$27,500; an additional 20 per cent have a taxable income of less than \$35,000. "That means there's not going to be much sympathy for the guy who can no longer write off his Mercedes," said one senior official. "And that is precisely the argument we're going to use."

**Rain:** Wilson will pay for a portion of that personal tax cut through changes in the corporate tax structure. Beginning on July 1, 1986, the general federal corporate tax rate will fall to 38 per cent from 39 per cent. The tax rate for manufacturing income will drop to 28 per cent from 30 per cent—and continue to fall by one percentage point per year to 23 per cent in July, 1991. Despite those declining tax rates, Wilson predicted that revenue from corporate taxes would increase by \$5 billion over the next five years through changes in tax preferences. Changes in capital-cost allowances mean that companies must write off depreciation of assets at a slower rate. And the portion of capital gains subject to taxation will climb to 66.67 per cent from 50 per cent next year.

Equally important, Wilson tackled the issue that allows companies to trade preferred shares—essentially what he called "their fair share of tax."

Owners of preferred shares now receive a dividend tax credit that is applied against their tax bill; in effect, the dividend is not taxed. Ottawa offers the credit because the company has already

paid, theoretically, paid corporate tax on the money that it pays in dividends. But many companies have chosen to come from preferred shares and, through that mechanism and a variety of other tax preferences, pay no taxes at all. And those companies still sell preferred shares, which are attractive to investors because the dividends are tax-free. Under Wilson's new rules, corporations must pay a special minimum tax on the dividends that they pay for the dividend tax credit that their investors will receive.

## CAREER COUPLE

With two large incomes and one young child, Irene Orlowski, B.C. resident, is the profits of the modern yuppie family. The husband is a married executive earning \$45,360; the wife earns \$36,800 as a self-employed professional. They take advantage of deductions for each common item as income and charitable donations. Even in their high income bracket, they would win under the first phase of tax reform, saving \$1,900.

1986 RATES AND DEDUCTIONS	1986 NO REFORM	1986 WITH REFORM
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Combined employment income	\$4,180	\$4,180	\$4,180
Interest and Other Income	2,668	2,668	2,668
Total Family Income	\$7,033	\$7,033	\$7,033
Personal Deductions	6,070	6,010	—
Other Deductions	17,243	17,372	18,000
Taxable Income	\$2,920	\$2,956	\$7,033
Federal Tax	12,501	12,500	14,688
Minus Tax Credits	—	—	-3,617
Provincial Tax	6,368	6,290	6,293
Tax Payable	15,940	15,943	16,907

FIGURES BY BOB DILL, FICPA  
THE SOCIETY OF MANAGEMENT ACCOUNTANTS OF CANADA



BATTLE: undoing the Tories' damage

**Yoga:** Meanwhile, the minister faced a series of questions over his plan for the newly-minted federal sales tax. In the short term, Wilson attempted to close a few loopholes effective next January; the tax will extend to manufacturing firms that are related to manufacturers and to the wholesale level of such products as electronic toys. The sales tax will also be extended to such telecommunications services as Telenor and to all long-distance telephone calls as well as local calls made by businesses. Those changes are expected to raise federal revenues by \$1.1 billion in 1986, 1989 and \$1.2 billion in 1990-1991.

**Marquand:** Not Wilson deferred the disposition of the existing tax law—and so postponed the major thrust of tax reform. The new tax would apply to every transaction from the primary producer to the consumer. At each stage, the same would compute the difference between the amount of tax he collected from his customers and the amount of tax he paid to his suppliers. He would then send the difference to Ottawa. Wilson speculated that the federal multi-stage tax could be converted with the provincial sales tax to create a single national sales tax. Or Ottawa could impose a federal goods and services tax on every transaction. A third alternative: Ottawa could levy a federal value-added tax that would apply only to specified items and requires a painstaking system of levies. Revenue from that tax would permit Ottawa to make further cuts in per-

## SELF-EMPLOYED BUSINESSMAN



A successful, self-employed real estate developer in Saskatoon, Sask., is a big winner from tax reform. He cuts \$957,000 annually from his firm and makes money from stock dividends, interest and capital gains. He has a wife and two teenage children and enjoys full advantage of tax shelters. Before new rules took effect, he paid \$43,000 less in tax under the proposed reform than under current rules.

1986 RATES AND DEDUCTIONS	1986 NO REFORM	1986 WITH REFORM
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Employment Income	\$87,000	\$87,000	\$87,000
Family Allowance	368	368	368
Taxable Dividends	6,000	6,000	6,000
Interest	9,800	9,800	9,800
Taxable Capital Gains	23,500	23,500	31,349
Loss on Flow Through Shares	\$50,000	\$50,000	\$50,000
Total Income	\$43,668	\$43,666	\$95,537
Personal Deductions	4,670	4,740	—
Capital Gains Deduction	23,600	23,600	31,349
Interest Deduction	1,000	1,000	—
Charitable Deductions	7,600	7,600	7,600
Charitable Deductions	10,000	10,000	—
Taxable Income	\$20,898	\$20,962	\$17,888
Federal Tax	\$90,318	\$90,340	\$10,132
Minus Tax Credits	-1,335	-1,335	-5,940
Provincial Tax	117,618	117,063	101,964
Tax Payable	\$326,601	\$320,060	\$77,076

1. There is a change proposed for 1986 that would take the federal tax rates as they change through 1986.  
2. Deduction for the 1986 to 1989 is a deduction to the income tax.  
3. Tax amounts are given in the table in the table. The proposed federal income tax is calculated on a 10 per cent basis. The income after that income (which is the income after that income) is calculated on a 10 per cent basis.

FIGURES BY BOB DILL, FICPA  
THE SOCIETY OF MANAGEMENT ACCOUNTANTS OF CANADA

new credits are enacted to lower the overall tax of individuals earning less than \$27,500.

But while the tax cuts given, he also takes away. The controversial lifetime exemption for capital gains introduced

subsequent years. From industry representatives' viewpoint, that amendment adds up to trouble. Michelle d'Amay, national director of the Canadian Conference of the Arts, called the change "devastating. I do not

sonal and corporate taxes—and to end the current three-part surtax on personal and corporate income.

Ultimately, the malpractice tax proposals were most interesting for what they did not say, when Ottawa will apply the new tax. Critics speculated that the Conservative government would delay imposing the potentially unpopular sales tax until after the next federal election, likely in late 1989 or early 1990. A senior economist at a Toronto brokerage firm told Macdonald that the malpractice tax is the heart and soul of tax reform—a genuine reform to the system of taxation—but that the Conservatives are afraid to introduce it. "I don't think they know what they are doing," he said. "It's all political. This is not a deficit-controlling package. It is a let's-win-the-next-election policy."

**Breaks:** The Conservatives were not always so eager for sweeping tax reform. In 1980, Wilson ruled out a major tax overhaul, saying that it would lead to "uncertainty and instability." But that year the U.S. Congress agreed on a non-preferential tax reform package to lower corporate and personal tax rates (page 39), and Canada faced the prospect of corporations moving south of the border for tax breaks. Said Saxeel Hughes, president of Ottawa's

Executive Consultants Ltd.: "Wilson was compelled to do something." The finance minister's response was to lower corporate rates so that the combined federal and

provincial rate will be 42 per cent on July 1, 1989—about three percentage points higher than the comparable U.S. rate. As a senior Finance official

## SINGLE PARENT

A mother with two young children, living in Halifax, has \$18,449 in income from a full-time job and child-support payments. With an income just barely above the poverty line, her major expense is child care. Pending any reform in sales taxes, she gets from tax reform, receiving \$88 back from the federal government instead of paying \$211.



	1984 RATES AND DEDUCTIONS	1980 NO REFORM	1984 WITH REFORM
Total income	18,423	18,449	18,449
Personal Deductions	8,560	8,480	—
Other Deductions	5,549	5,049	4,000
Taxable income	5,314	5,920	15,449
Federal Tax	853	970	712
Maint Tax Credits	-1,006	-1,145	-1,199
Provincial Tax	476	481	595
Tax Payable (Federal)	320	211	(88)

PROJECTED BY FORBES, CMA CGA  
THE NORTHERN TRADING COMPANY OF CANADA

told Macdonald: "At three per cent we are right on the edge, but we just could not afford to go lower."

In the end, the estimated 1987-1988 deficit of \$29.3 billion set the real limits to tax reform.

Whatever Wilson did to the tax system, he had to make sure that Ottawa did not end up losing money as a result. Indeed, federal tax revenues are projected to grow to 13.1 per cent of the gross domestic product in 1991-1992 from 11.4 per cent in 1987-1988. Much of that growth will stem from the increase in the labor force. But those numbers indicate the extent of the pressure on Wilson to keep generating funds for Ottawa. Said William Macdonald, a corporate lawyer with Toronto's McMillan, Bush: "Asking a finance minister saddled with a deficit to write a tax reform package is like asking a man in hospital with pneumonia to run a marathon."

**Tanner:** Whatever the fate of Wilson's package, he has started a process that may be difficult to reverse. Canadian taxpayers, insulated by the prospect of major tax reform, may become a formidable lobby for reform. Small business,

lured by the promise of lower taxes, may press for a Canadian tax system, insulated by a sales tax that penalizes domestic producers, may push for its replacement by the new multi-stage sales tax. That new enthusiasm for tax reform contrasts sharply with Wilson's first march with the stage two demand tag. Hughes wryly recalled a sunny day back in 1987 when he and Wilson were Bay Street brokers delivering an earnest report on tax reform to a meeting of the Investment Dealers Association of Canada in Quebec. "We sat up there and hoped the audience drift," Hughes told Macdonald. "It was a beautiful day and they all looked like they would rather be playing tennis. Wilson had to wait until he got to Ottawa before people would listen to his ideas on tax reform."

—MAUR JAYWORTH with PETER COZZOLLO, and  
FRANK CLARK, CLARENCE BALSLEY  
and THERESA TREHOUART in Toronto

## SPECIAL REPORT



Florida retirees flock for people living mainly on capital gains income.

## LESSONS FROM A NEIGHBOR

**F**or most Americans, their first encounter with the effects of last fall's tax reform program was a four-page form known as W-4. It was an inconspicuous beginning. Internal Revenue Service (IRS) commissioner Lawrence Gibbs declared last November that the new form—known almost all American taxpayers must fill out—would put an end both to large refunds and large tax bills by providing a more accurate estimate of how much employees should deduct from paychecks. Although simplifying was one of the goals of the reform, the W-4 was twice as long as the form it replaced and sparked complaints about its baffling design and directions. Indeed, the all-new W-4 was too much for even the tax experts. A sample form passed out by officials to show how it worked underrepresented a seasonal taxpayer's bill by \$3,889. Complained Democratic Senator David Pryor of Arkansas: "A lot of people think that when the government tries to simplify something, we make it worse. This confirms that idea."

**Unhappy:** Embittered tax agency officials redesigned and shortened the new form. But problems with tax reform in the United States are far from over. The impact of the first year of the program—which eliminated a number of deductions in exchange for lower tax rates—will remain largely unknown until businesses and individuals file their returns next April. And although the changes were designed merely to increase not to decrease Washington's overall tax take, a \$25-billion revenue shortfall in the federal budget may prompt Congress to impose new taxes even before the reform's first anniversary.

The American Tax Reform Act of 1986, which became law last October, introduced the most sweeping changes in taxation that the United States has experienced since 1924. If all goes according to plan, the top individual federal tax rate, formerly 50 per cent, will fall to 28 per cent this year. Likewise, the maximum corporate rate will decline to 34 per cent from 46. And although business rates will be lower, elimination of some capital gains and depreciation benefits for business will shift about \$40 billion of the tax burden from individuals to corporations.

While the full impact on individual taxpayers will not be clear until next year, those with incomes below \$33,000 a year are the biggest group of winners—with an average tax cut esti-

mated at 62 per cent. But even in that group, not everyone will come out ahead. Four per cent of taxpayers at that bottom rung—mostly retired people with large capital gains income—will pay more. Beyond that, the higher the income, the lower the proportion of people who gain. At the top, among those with incomes over \$200,000, almost half will pay more. The biggest losers, according to Jeffrey Spleen, a policy analyst with Citicorp for Tax Justice, a labor-backed lobby group, will be "the prototypical yuppie couple with two incomes and no children."

The corporate picture is equally mixed. Some heavy industries—including steel and automobile manufacturers—will be hit hard under the new system. In the early years of Ronald Reagan's administration, corporations were allowed to accelerate write-offs of investments in new buildings and equipment, giving companies bigger tax deductions. But the new bill lengthens depreciation periods again, which will boost taxes on many manufacturers and may slow investment in capital goods—machinery and equipment used to make other products.

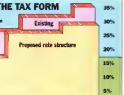
**Barbed:** Democrats are predicting a negative impact on its members and the shift of the tax burden to business, the U.S. Chamber of Commerce remains a strong supporter of the program. Said David Koenig, a tax attorney for the chamber: "We look for one reason—the attractiveness of the new rates." But Koenig cautioned that support could evaporate because of the first post-tax-reform budget debate. Unable to create a budget that meets mandatory deficit-reduction requirements through spending cuts, Democrats' leadership in Congress last week proposed to make up a \$25.5-billion revenue shortfall through new taxes.

Although the lawmakers agreed on the amount, they have yet to decide what form the new taxes take. Most congressional appears reluctant to tinker with the new tax rates adopted only a few months ago. The likely alternatives: new excise taxes on gasoline, oil, imports, cigarettes and alcohol. But if that happens, the effects of the reform program may be undermined. Said Spleen: "We'll be back at Stage 1."

—AMM HERTIN in Washington

## SIMPLIFYING THE TAX FORM

Michael Wilson's tax reform would reduce the number of tax brackets in three from the current 30.



BY \$10 \$15 \$20 \$25 \$30 \$35 \$40 \$45 \$50 \$55 \$60 \$65 \$70 \$75 \$80 \$85 \$90 \$95 \$100  
TAXABLE INCOME IN THOUSANDS



Hardware store in Toronto. Balloch (below) fears alternatives but few details

## SALES TAX: THE UNKNOWN FACTOR

Finance Minister Michael Wilson's plans to renege the federal sales tax system are into a major abyss almost a year ago, on a hot Wednesday afternoon in Saskatoon. The federal cabinet's powerful priorities and planning committee met there for three days after Canada Day celebrations. A new sales tax was one item on the agenda, and Wilson was eager to release a discussion paper on the subject that his department officials recommended that he first examine lowering personal and corporate taxes. As well, Wilson's cabinet peers were more interested in the political impact of tax reform initiatives in the United States. For his part, Prime Minister Brian Mulroney encouraged Wilson to shelve sales tax reform in favor of overhauling the entire tax system. And when Wilson finally unveiled his package last week, there was no sales tax reform—just a bill that it would come later, at a still-suspected date. Reid Michael Mansford, chief economist at Merrill

Lynch Canada Inc., "It was a very tentative step toward tax reform—maybe a little bit timid." Shovel But it was in critical in the federal government's two-step tax reform package. The first stage, which Wilson outlined in his white paper last week, is designed to broaden the tax base, decreasing most personal taxes while increasing the corporate share of

the tax burden. The second phase, federal sales taxes are to be centralized to assume a larger share of the overall load. The government, Wilson said, has still not decided what type of sales tax it will implement. But whatever form it takes, consumers could become aware of federal sales tax for the first time—at the point of sale, as provincial sales taxes do

now. In the interim, Wilson proposed a slight expansion of existing—and less visible—federal manufacturers' sales tax's scope to compensate for revenues lost through other aspects of the first step.

Meanwhile, Canada was among the first countries to introduce a manufacturers' sales tax, in 1955—and will be one of the last to eliminate it. The federal tax is charged to manufacturers selling a product; the better-known provincial taxes are charged at the consumer level. But over the years, the federal sales tax system has become awkward and unbalanced. For one thing, it now taxes imported products more favorably than domestic goods. In average, the tax on domestic products is one-third higher than on imports. As well, only a minority of recipients pay the tax because it applies only to long-established manufacturing industries such as heavy machinery, textiles and furniture—which account for only about one-third of all Canadian goods and services.

Critics: Wilson said that the government is considering three options for the second-phase tax. One is a so-called value added tax (VAT), which would be levied on most products at every stage from raw materials through manufacturing and assembly to sale to the consumer. Another alternative is a completely across-the-board tax on all goods and services. The third option, a national sales tax, would combine provincial retail tax and a federal tax, possibly at a lower level but over a broader range of goods and services. In making its decision, the government must weigh two critical factors, how the tax is collected and what recipients are available.

These two issues have shaped Wilson's efforts to move toward a VAT. The finance department initially looked at a goods and services tax, also known as a business transfer tax—that would exempt no business sales. It would be levied on the basis of total sales. The lack of exemption

would make such a tax easier to administer, said John Balloch, president of the 15,000-member Canadian Federation of Independent Business. Indeed, Balloch estimated that collecting a federal tax could cost small businesses up to \$280 million a year. Ottawa has said that it would pay small businesses to collect a more complicated VAT, but Balloch said that "we will fight to the death" for an easy system.

Still, an uncomplicated tax system may not be politically appropriate for the government. Any of Wilson's three options would tax service industries for the first time, bringing a larger segment of the economy under the sales tax umbrella. As well, the new tax would be levied on manufacturers, wholesalers and retailers. But while the business community generally prefers the goods and services tax as a VAT, most voters would likely opt for a more complicated sales tax exempting such basic goods as food items.

One increasingly attractive option, Wilson told Mulroney's, would be to share administration of the sales tax with the provinces. Indeed, such a national sales tax is the popular choice among business groups. But one difficulty, according to industry sources, is that for political reasons some provinces do not want to be associated with collecting a federal sales tax. Still, Wilson said that some of the provinces has said it can do so.

Telephone: Meanwhile, Wilson has tinkered with the existing sales tax system to raise \$2.3 billion in extra revenues for 1986 and 1987. The adjustments include a new 10-per-cent tax on telecommunications services beyond long distance, including long-distance telephone calls but not the basic residential service. The finance minister also shifted some sales tax payments to the wholesale level to prevent manufacturing companies from avoiding tax through complex arrangements with marketing companies.

As well, to compensate lower-income Canadians who spend a larger percentage of their income on basic necessities than high-wage earners do, the federal government plans to increase the annual sales tax credit by \$40 to \$50 per adult and by \$10 to \$20 for each child in households with incomes of less than \$15,000. Still, many critics of the new sales tax design contend that it was a mere shuffle of the tax load rather than a full-scale tax reform. Whatever form it takes, sales tax reform will ultimately determine the scope of Wilson's proposals.

—ANN SEIBERTER with PAUL GIBBELL and MARY ANN DUNN  
THERESA TROTSKY in Toronto

## WIDENING THE NET

In 1972 the NDP leader, David Lewis, called them "corporate welfare bonds" for paying less than their share of taxes. Eleven years later, 34 per cent of profitable companies in Canada still did not pay any income tax because of loopholes and investment incentives in the Income Tax Act. Last week Finance Minister Michael Wilson's white paper on tax reform went some way toward redressing what he called corporate abuse of

taxes, spreading the tax burden out more evenly across the industrial sectors. Companies that invest in preferred shares as a way of avoiding tax will find it less attractive to do so, the proportion of capital gains that are taxable will rise to three-quarters by 1990 from the current one-half, and capital cost allowances rates on heavy machinery, resource assets and Canadian films will be lowered. Real estate development companies and financial institutions will find a



Tractor manufacturing in Winnipeg: a less attractive capital cost allowance

the tax system, said Wilson. "Canadians are quite rightly resentful when they feel that others avoid paying tax by breaking the rules." Still, the finance department estimates that the package of reforms that Wilson proposed for business will affect less than half of non-incorporate corporate Canada. The reason the tax system will continue to be an instrument of industrial policy, and special investment incentives designed to favor some industries will remain in place.

If approved, the proposals would lower the general corporate federal tax rate to 28 per cent from the current 35 per cent on July 1, 1988. For manufacturers, the rate would drop to 25 per cent from 30 per cent and for small businesses it would fall to 18 per cent from 25 per cent. John Haug, director of corporate taxes at the accounting firm of Clarkson Gordon in Toronto, said that Wilson was "recognizing the importance of keeping these industries in Canada, especially in a free-trade environment."

But many tax breaks for big business would be gone or at least radically re-

new tax bills must admitly because of proposed reforms. Indeed, 58 per cent of the \$5 billion in new corporate taxes raised in the next five years will be paid by banks and trust and life insurance companies.

Threat: Even so, most business reactions to the proposals for corporate Canada was favorable but subdued. Said Adam Strimman, chairman of Noranda Forest Inc. of Toronto: "If anything, it will cause us to conduct our business more than on economic conditions than on the arbitrariness of the tax system." Added Laurent Thibault, president of the Canadian Manufacturers' Association: "While everybody has some problems, generally people are pleased with the thrust." In the end, however, higher corporate tax bills will ultimately be picked up either by the consumer through higher prices, or by shareholders, through lower dividends. Declared Michael McCracken, president of Ottawa-based child task industries Ltd.: "People pay taxes, not corporations."

—THERESA TROTSKY with correspondence reports





# Tinkering with tax reform

By Peter C. Newman

At first reading, Michael Wilson's white paper on tax reform reminded me of something as much as the story of the politician who sees someone drowning 100 feet from shore, throws him a 75-foot rope and, when the waterlogged victim grasps his objections, shouts back, "Don't complain, I met you more than halfway."

Certainly, the Wilson government is constrained with so many half measures that it qualifies less as tax reform than as tinkering with an existing and highly unsatisfactory system. The 1,400-page Canadian Income Tax Act will remain virtually impervious to the average citizen. Last week's wealth-advised document did not propose as many changes to the tax system as governments have accomplished piecemeal in roughly 900 amendments to the statute since Liberal Finance Minister Edgar Benson's white paper of 1971.

One of the problems is that taxes in Canada account for far more (roughly 35 per cent) of our gross national product than in the case in Japan (27 per cent) or the United States (20 per cent). The difference is mainly caused by the social welfare infrastructure that successive governments have built up in this country since the Second World War—and that Wilson shows no signs of wishing to dismantle.

The business community has always contended that success bred the tax burden; any taxes at all would be what Ted d'Aquino of the Business Council on National Issues described recently as a "neutral system, one that avoids, where possible, the distorting of market forces in determining rewards and allocating resources."

Certainly d'Aquino and his group will approve the eight per cent drop in the general corporate tax rate (and hope that the provinces will follow suit), but their pleasure will be considerably dulled by Wilson's other provisions providing revenue increases of \$6 billion from business-tax changes over the next five years. Financial institutions and life insurance companies were particularly hard hit, and last Thursday night, when the finance minister's white paper was released, the word among the big letters on Bay Street was, "Mike sure hammered us with this one."

Well, he didn't really, but the Canadian business mentality, which insists

that anyone who makes a lot of money deserves special tax privileges, took a beating. The one area where Wilson demonstrated genuine enlightenment for his constituency was small business, mainly by not touching the 15-per-cent federal tax rate that is essential for struggling new enterprises. He also allowed the owners of those tiny companies to benefit from the full \$400,000 lifetime exemption on capital gains. But that philosophy did not car-



Playfair: "seems serious disincentives"

ry through the balance of the white paper.

"The government should be a partner in the wealth-creation process, and rebalancing the balance between personal and corporate tax systems is worthwhile," I was told by John Playfair, a tax partner with the Toronto office of Clarkson Gordon. "But I have real problems with the idea of a business transfer tax or a tax on consumption, because you can have retired people who are living on their capital

being based on their consumption, and a wealthy family having to pay the same rate just doesn't seem fair. It fails to perpetuate the partnership principle I was talking about. It can either be a tax on savings or a tax on income because people spend both, but by taxing without reference to income it is highly regressive."

Playfair also dwells on Wilson's tax measures as spelled out in the white paper. "On the personal side, it's in the nature of housekeeping, and where the measures are significant is in the area of saving and investing—providing some serious disincentives. The change in capital gains is the big one. If three-quarters of a capital gain is to be taxed instead of a half, why have a capital gains provision at all?"

At the same time, Playfair contends that the whole approach is strange coming from a Conservative government and a minister who was an executive vice-president of Dominion Securities, Roy Rosen's largest investment house, from 1978 to 1985. "It's almost the kind of thing Ed Broadbent might have done, though he would have gone a little further. If it's supposed to be a political budget for the Mulroney government, I have a little difficulty seeing the logic in it."

Perhaps the main problem faced by Wilson as he now goes across the country trying to tell his message is that parts of his white paper are deeply flawed. For example, the increased taxation of capital gains is phased in so that next year the proportion of capital gain above the lifetime exemption that must be included jumps to two-thirds instead of the present level of one-half, and in 1990 that jumps to three-quarters. All that will mean is that people will sell all their good stocks that have shown a profit before the taxes go too high and hold on to their losers so that their capital losses will be worth more under the new rates. Any system that provides incentives for investors to sell their winners and keep their losers doesn't bode much progress.

"This is not reform in my view," Playfair concludes. "There should have been more bold provisions for government to become a real partner in the wealth-creation process. We must provide incentives for investment in Canada, otherwise capital will leave the country." And we won't get it back with a 75-foot line, either.

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# Organized crime and the Teamsters

A president of the International Brotherhood of Teamsters, Ray Williams was one of the most powerful labor leaders in North America. But in 1982, after only two years in office, he was convicted in a federal district court in Chicago of conspiring to bribe a U.S. senator and defrauding the union's pension fund. Now Williams, who is 52 and suffers from emphysema—he is serving his 16-year sentence at the Medical Center for Federal Prisoners in Springfield, Mo.—is shedding light on the operations of the 1.6-million-member union that he once led. On June 1, during a federal racketeering trial of 12 Mafia members in a New York City federal district court, jurors watched videotaped testimony in which Williams said that both he and his successor, Jackie Presser, were controlled by organized crime. Williams declared that in 1967 Kansas City Mafia leader Nick Civella threatened his life and forced him to give loans from the Teamster pension fund for casino hotels in Las Vegas. "That's when I became his boy," said Williams, who received monthly payments of \$2,000 from Civella from 1964 to 1968. "I was controlled by Nick."

According to U.S. authorities, Williams's disingenuous testimony provided them with the evidence that they needed to link the largest union in North America with organized crime. Indeed, last week U.S. Justice Department officials confirmed that they were preparing a lawsuit seeking both the removal of the union's executive board and subsequent federal control. The action—which asks prosecutors to dismiss as "a groundless attack"—represents the government's first attempt at curbing racketeering by taking control of an international union.

To that end, justice officials say that they will send hundreds of court orders to Teamster officials for crimes ranging from pension-fund embezzlement to murder, in order to prove that the powerful union is in fact a racketeering enterprise. Among the incriminating information that may be used, according to a member of the investigating team who asked to remain anonymous: evidence linking the Mafia to the unexplained disappearance of former Teamster president Jimmy Hoffa in 1975. He is presumed to be dead.

The investigator said that he believes Hoffa's disappearance was engineered by convicted racketeer Anthony (Tony Pro) Provenzano, a member of one of New York City's organized crime families. Added the investigator: "The gist is that Hoffa tried to assert control over the mob's little kingdoms, to which he was hated."

The Teamsters' 16-member execu-



Williams (in chair), attending testimony of Mafia influence

tive board—which includes Senator Edward Levinson, director of the union's 94,000-member Canadian wing—has called the allegations outrageous, and it denies any organized crime influence. Last week in St. Louis, Presser, who faces a separate trial in August on racketeering and embezzlement charges, said a cheating group of union members that he is prepared to fight hard to retain control. According to union officials, the charges against the Teamsters—the only major union to endorse Kessler

Reagan in the 1980 and 1984 U.S. presidential elections—are "a calculated political ploy designed to take the pressure of numerous problems off the Reagan administration."

Indeed, even dissidents within the Teamsters argue that government intrusion is the wrong way to weed out corruption in the union. According to Kenneth Paff, spokesman for the Detroit-based reform-minded group Teamsters for a Democratic Union, Washington would achieve results more quickly by overturning the Teamsters' undemocratic election procedure and demanding a new court-supervised vote for executive posts. That, he said, would be enough to eliminate Mafia influence. But, Paff added, "cleaning up the union has to be done by the members themselves."

For their part, many union members said that they remain skeptical of government-sponsored reform. Court appointees now supervise two union locals—one of them a New Jersey local of the Teamsters once run by Provenzano—but neither arrangement is winning strong membership approval. Conceded a U.S. labor department official: "No government appointee is going to be able to run a union on popularity."

Still, on the basis of Williams's testimony, federal officials say that they intend to produce such overwhelming evidence of racketeering that the Teamsters' leadership will accept a trusteeship outright. "If the government has to go to the mat on this, we're going to win," says one industry racketeering scheme in the country is going to be aired," said one investigator. "That's not going to do the Teamsters any good."

—GARRY BLACK in New York City



Goetz (standing), Kessler (below): shootings, sympathy and concern about vigilantes

## Doubts about self-defence

A man who sparked a widespread debate over the use and limits of deadly force in self-defense remained quietly in a New York City hideout apartment building last week—all but imprisoned by outpouring interest in his case. Outside the West 14th Street building, crowds of reporters waited in hope of obtaining an interview with Bernhard Goetz. He is the suspected 39-year-old electrical engineer who shot and wounded four young black men on a crowded subway car in December, 1984—in the belief, he said, that they were about to attack and rob him. Last week a jury of 10 whites and two blacks acquitted him of attempted murder charges arising from that incident—a verdict that some U.S. black community leaders said endorsed vigilante.

And in Calgary, strikingly similar issues arose at the trial of drugstore owner Steven Kessler, facing second-degree murder charges after a man was stabbed down while his pharmacy during a robbery attempt last November.

In that incident, Kessler, 41, allegedly chased 23-year-old Timothy Smith into the Street S.S. and killed him with a blast from a shotgun. But when police charged Kessler, public response in Calgary paraded the epidemic of support that Goetz received from some U.S. citizens after the subway shooting. But although fellow store owners and hundreds of other Calgary residents raised more than \$27,000 to pay his legal expenses, city police spokesman ex-

pressed their concern at the reaction to the slaying. Declared Sept. Frank Mitchell last November: "The police are here as the individual citizen doesn't have to get involved in vigilante." Kessler, New York officials warned, that anyone taking the law into his own hands would face prosecution. Still, Roger Groom, a Democratic state assembly member from Brooklyn who is also chairman of the 21-member Black and Puerto Rican Legislative Caucus in Albany, N.Y., stated that the jury's decision "instates dangerous vigilante actions as the part of misguided citizens."

Several juries in the Goetz trial defended their finding in subsequent interviews—and stressed that the verdict did not endorse rough justice in a city plagued by racial friction and street crime. According to one juror, 39-year-old computer programmer Mark Leary, all 12 jury members concluded that Goetz had not committed a serious offense. Leary said that the jury believed that the defendant—who had been the victim of an earlier robbery on the subway—thought that he faced a deadly threat when four youths with sharpened screwdrivers in their possession ap-

punched him and asked for \$5. Said Leary: "People may think that this given license to go out and shoot black people, but the fact is that these four people were a deadly threat to Goetz—black, white or whatever."

In the same way, defense lawyer James Ogilvie told an Alberta Court of Queen's Bench jury last week that a series of robberies and break-ins at his client's store had driven Kessler to arm himself. In the 30 months before the shooting incident, and Ogilvie, burglar had twice broken into the store and stolen drugs—and armed robbers selling narcotics had held up Kessler on two occasions during that same period. In one incident, according to Kessler, a masked man who demanded all the narcotics in the store pointed a handgun at his wife, Mary, and threatened to kill her. And in a robbery that occurred six months before the fatal shooting, a robber struck Kessler on the head with a baseball.

Speaking from the stand in his own defense, the dark-haired drugstore owner said that he had kicked one of the robbers in the face in an unsuccessful attempt to stop the man from leaving with the drugs. According to Kessler, those bullets wounded him and his wife that their lives were in danger. Said Kessler: "We realized that our lives had become very unsafe, that it was a very fine line between staying alive or being killed by robbers." Still, he fairly denied earlier trial testimony by Calgary, Alberta, Attorney General to Maxwell, Kessler had told him that he had purchased a shotgun after the holidays and break-ins—and promised that he would shoot to kill the man who was attempting to rob him.

Indeed, Kessler's lawyer said that the shooting had occurred "in a blind panic, under a stressful situation, a situation of great duress." That description is similar to the arguments that Goetz's lawyers presented. And, like Kessler, their client is still entangled in a shooting incident, the first of two facing sentencing in September on the single conviction returned by the jury. Illegally possessing the 30-caliber revolver used in the incident, Goetz will learn then if he is to spend time in prison, or avoid jail entirely. In a Calgary courtroom, a deadly ball of store owner wants for a judge and jury to make a similar ruling on his destiny.

—MALCOLM GRAY with correspondence reports



A French politician's ex-wife is posing in the nude to get even with her husband. Still, **Pierrette Le Pen**, who harn all in the current French edition of Playboy, has won widespread support. The 51-year-old former wife of Jean-Marie Le Pen—leader of the ultraright-wing National Front party—also appears as a scantly clad model. In an earlier Playboy interview, Jean-Marie said that if Pierrette needed money, she should do housecleaning. Said Pierrette: "The pictures show a French woman who is finally free."

A day of shoptalk can last a week ended with a dispute between Prince Edward and British journalists Edward, 35, who arrives for an official visit to Nova Scotia, and Prince Edward landed on June 24, started out of a news conference after sarcastically telling journalists, "Thanks for being so bloody restaurants." The incident followed a day of charity games that had raised \$2.5 million. Edward, who expressed the



Le Pen: getting even; Rostropovich (below): honored by one of the best kitchens of freedom



Minnelli back to an earlier triumph

event, was joined by Prince Andrew, his wife, Sarah, and Princess Anne. The Royals broke with decorum to cheer on celebrity tourists drawn as medieval knights and madmen. Edward's outburst came after journalists failed to respond when he asked them if they had enjoyed themselves. Said the prince: "One of these days you people are going to have to learn some manners."

Journalist Andy Wrayuk said that she was surprised to discover that she is Canada's first woman television news director. The 37-year-old broadcaster,

now news director at CBC in Winnipeg, had worked for the rival CBC station for 12 years. Said Wrayuk: "I'm looking forward to trying to kick-start some competition into TV news in this city. I think people will be surprised to see how much work you can get done with a smaller staff."

A Liza Minnelli finished a record-breaking three-week run at New York City's Carnegie Hall on June 18, the audience reaction was more typical of a sporting arena than of a concert hall. "New York loves Liza" banners hung from the balconies, and the crowd applauded and stamped their feet. The 46-year-old performer was returning to the stage where in 1979 she was the first entertainer to have an extended run. Said Minnelli: "I'm honored that they invited me back—standing on that stage has got to be the most exciting experience for any performer."

Basketball star Kareem Abdul-Jabbar has a new contract that will pay him more money in a single season than anyone else in team sports. The two-year contract calls for a record \$4-million payment in the 1988-1989 season when the 40-year-old Los Angeles Lakers captain, the

oldest player in the National Basketball Association, would be playing in an unprecedented 39th season. The signing came just two days after the seven-foot, two-inch centre helped the Lakers defeat the Boston Celtics for the NBA championship. Still, Abdul-Jabbar has denied that off-court financial setbacks forced him to continue playing. Said Abdul-Jabbar: "Playing 39 seasons in the NBA isn't something I was trying to do, but it looks like I'll have a shot at it."

A acclaimed cellist and conductor Mstislav Rostropovich is to be honored by his adopted country on June 28 when President Ronald Reagan presents him with the Medal of Freedom—the highest U.S. civilian honor. And the next day Queen Elizabeth will award the 60-year-old musician the Honorary Knight Commander of the Order of the British Empire, Britain's highest honor for foreigners. Rostropovich, who was stripped of his Soviet citizenship in 1979, was in Ottawa earlier this month, where he gave a recital that helped raise \$25,000 for a new local Russian Orthodox church and cultural centre. Later he described both Canada and the United States as "the two best bastions of freedom."



—Rosed by TV/ONE COX

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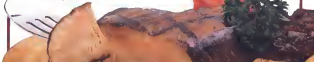
4 boneless, well trimmed Pork Steaks, cut 1 1/2 inches thick • 2 tbsp (16 ml.) butter (unsalted), clarified (optional) • 1 clove garlic, finely chopped • 1 tsp (5 ml.) shallots, finely chopped • 1 tbsp (15 ml.) orange-flavored liqueur • 1 cup (125 ml.) unsweetened orange juice (or juice from 1 orange) • 2 tbsp (25 ml.) grated orange peel • 1 tsp (5 ml.) brisaki sauce • salt and pepper to taste • 1/4 cup G screenings  
Brown Steaks with salt and pepper and set aside. Heat butter in a large frying pan. Add Pork Steaks and cook until brown (steaks are done when they have just lost their pinkness and are full of beautiful juices...do not overcook). Remove Steaks from frying pan and wrap in foil to keep warm. Add garlic and shallots to frying pan and sauté lightly. Then add the orange juice, orange-flavored liqueur and brisaki sauce to frying pan and reduce over medium low heat to half the quantity. Pour sauce over Pork Steaks and serve immediately. (As created by Emory Restaurant, Toronto City. The Willow Restaurant, Ontario Place.)

\*Today's pork is light because of light in diet.

Even better: Compare it to that of country steaks from the States. Pork Steaks should be boneless, very well trimmed and cut 1 1/2 inches thick. Ask your butcher for a Pork Steak from the centre loin—a guaranteed cut or from the big—steak for the better quality or from the shoulder—both a perfect everyday steaks. Cook Pork Steaks slowly in a low temperature. Don't overcook! A Pork Steak is done when it has just lost its pinkness and is full of beautiful juices. For an added hint: recommend marinating Pork Steaks overnight in the refrigerator or 1-2 hours at room temperature. One marinade suggestion: 2/3 cup (150 ml.) dry white wine, 2 tbsp (25 ml.) olive oil, 1 tsp (5 ml.) rosemary, 1 tsp (5 ml.) powdered sugar. Slice and pour over Pork Steaks.

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# A nose for the tragic heart of comedy

ROKANNE

Directed by Fred Schepisi

**C**D Baker, the inspired demolition of Edward Rostand's fictional courtier Cyrano de Bergerac, is a sweet-natured few chief with an unusually long nose. The hero of the film

hidden beneath Chris's hurting cap.

At the core of Martin's comic genius is his ability to remain absolutely deadpan in the most absurd circumstances, such as when he agonizes making high lights to his face in an attempt to de-emphasize his nose. Directed by Fred Schepisi (*Plenty*) with stop-on-a-dime

clips, still lures with boomtown optimism—and the hope of more movie work. Said Harry Bornemann, fire chief of the 1982 Festival and exclusively in *Rokanne*: "I've lived here for 54 years and I've never seen Nelson so positive about itself."

When it was discovered by Bornemann's location scouts, the community was in real need of good news. Unemployment runs as high as 25 per cent in the B.C. Interior, and Nelson had been especially hard hit by its lumber mill, plywood plant and its small community college all closed in the early 1980s. But now the city's \$3.5-million restoration project is attracting film industry dollars. Shortly after Columbia's *Rokanne* injected an estimated \$650,000 into the community, Scottish director Bill Forsyth arrived to shoot his new film, *Runaway Train*. And Paramount executives are considering going to Nelson this summer to shoot *The Spies*, a film starring Jake Gyllenhaal.

Taking a cue from the fictional mayor in *Rokanne* who wants to turn his town into "another Aspen," civic officials have mounted an advertising campaign urging Americans living



Martin, *Aladdin*: a dreamer with his head in the clouds loses his heart to a lonely stargazer

*Rokanne*, he is a poetic soul hiding beneath an unfortunate physiognomy. Steve Martin, who also wrote the screenplay, plays C.D. with the balustrade grace of Buster Keaton and the gallantry of Charlie Chaplin. To defend himself against insults to his nasal protuberance, he even brandishes a tennis racket in a mock sword fight. Well-read, witty and charming, C.D. is basically content with life—until he meets Rokanne (Daryl Hannah), an enigmatic astronaut who has come to his town, Nelson, Wash. (in reality, Nelson, B.C.). A dreamer with his head in the clouds, C.D. loses his heart to a stargazer.

Like all truly great comedy, *Rokanne* never strays far from sadness or disaster. When Rokanne develops a crush on a handsome fireman, Chris (Rick Rossovich), she informs C.D.'s aid. Chris is equally interested in Rokanne, but hopelessly dumb—he can barely compose a sentence—so he, too, falls for C.D.'s seductions. On his behalf, the oblivious C.D. writes letters of poetic letters to Rokanne. And on Chris's first date with her, C.D. watches from a nearby van, transmitting advice to euphoric

turning, the movie is a flurry of inspired ideas. At one point, C.D. bets a man who has just smiled him that he can dream up 50 better ways to say "big nose." Then he flings out a score of fancy insights along the lines of "It must be wonderful to wake up and smell the coffee—in Brazil!" Always pointedly funny, *Rokanne* has a nose for pure pleasure.

—LORENCE O'TOOLE

**L**ast summer, during the filming of *Rokanne*, an American couple pulled into a Nelson, B.C., gas station and perched at a sign reading "Welcome to Nelson, Washington." The station attendant heard the woman turn to her companion and fame, "You said we crossed the border an hour ago!" Visitors may have been confused—but most of the town's 6,800 residents enjoyed misapprehending as Americans. Hundreds were hired as extras, and others found employment as set builders. The *Rokanne* crew departed after three weeks of filming. But the picturesque ski-resort community, where turn-of-the-century buildings hug the mountains

in the Pacific Northwest to see the film in Nelson. There they can have a free guided tour of the movie's location. Good memories of the *Rokanne* crew's presence linger there: the film's producers contributed \$5,000 toward restoration of a local theatre and bought a new television and VCR for the fire department. Star Steve Martin donated art books worth \$3,000 to the local library, and he was one of several cast members to participate in a comedy night that raised \$2,500 for muscular dystrophy, the favorite charity of firefighters across North America. But few events can match the festive filming period itself, when the city turned into one large Hollywood canyon. Gen. Dismond, owner of the Main St. Diner, recalls on 11 p.m. request for "68 omelettes to go." And Phil Forsythe, owner of Aspen's restaurant, remembers Martin coming for lunch after day starting his film name, Sigs Forsythe. "He always ordered a Caesar salad, a 1984-85 sandwich and an iced tea—with an extra-long straw."

—PAMELA YOUNG in Toronto

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NATURE

# Time for the 17-year itch

**I**n many ways, the cicada is a lucky bug. The enigmatic insect lives for 17 years—for surpassing the normal life-span of other bugs—and spends the time underground sucking on roots. Then, along with millions of its fellows, it crawls to the surface of the earth and emerges in an exuberant frenzy of mating before it dies. An inch and a half long, red-eyed and toothless, cicadas do little harm during their three- to six-week stay above ground. But their numbers, which entomologists—scientists who study insects—estimate to be several million per acre, are irritating residents of the northeastern United States, where the brood last emerged in 1979.

Lawns, trees and driveways from New York to Georgia are covered by the humming creatures. Since they began crawling out of their burrows last month, it has become impossible to walk on some sidewalks without crushing them. Still, the cicadas have provided birds with a feast, and lawns have benefited the holes that the tunneling insects make let in light, air and nutrients. As well, some people are enjoying the opportunity to observe them up close. Saul Douglas Miller of the U.S. department of agriculture's Systematic Entomology Laboratory in Beltsville, Md. "They're a neat insect. I have really enjoyed listening to their song."

Some people even say that they enjoy eating the protein-rich cicadas. Thomas Moore, a biology professor at the University of Michigan at Ann Arbor, has eaten them raw but says that he prefers them "fried in a little butter and lightly salted. You can add garlic, but I don't."

But the infestation cannot end too soon for Geoffrey White, a defense department economist who lives in Arlington, Va. He has had to seal his fireplace opening to block the cicadas that were entering his house through the chimney. Temperatures of 32°C are drying the ever-growing pile of cicada corpses in his backyard, and the smell is unpleasant, similar to that of rotting flowers. Said White: "I must remember not to put my house up for sale 17 years from now." White is referring to the year 2004, when the offspring of this year's brood will emerge and begin anew the mysterious life cycle of the cicada.

—MARC MATHER with JAN ALSTEDT in Washington



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## BOOKS

### Angel with a lariat

CAPRICORN

By George Browning  
(Penguin Books, 268 pages, \$19.95)

It is most unfortunate of the John Wayne variety, the hero is a lone gunslinger who relentlessly hunts down the bad guys and then rides off through the sagebrush in a cloud of dust. That myth has become so engrained in the North American mind that many people—including some with political influence—persist in taking it seriously. Central to such a version of the Old West is one indisputable fact: the gunslinger must be male. Attractive to women, he is also above them, a super-hero too brave and too free for the mundane restrictions of marriage. In short, he is a demigod on a horse. But the myth is so far from the truth that it deserves to be turned on its head—a function brilliantly served by Capricorn, the new novel by British Columbia writer George Browning. In *Capricorn*, Browning satirizes cowboy tales with great elegance and wit—while at the same time tipping his hat to the forgotten virtues of Canada's own West.

The most revolutionary thing about Browning's book is that it has a heroine, not a hero. Capricorn, a young poet from Quebec, is a woman of such firm-bodied beauty that, to the amazement of nearly every man who sees her, "She's a bit of her horses when she horse sings." She is also an expert with the bullwhip, with which she can delicately remove the buttons from a man's shirt or snap a pistol from his hand. Although Capricorn would rather be writing French gastronomic books in Quebec, she finds herself in the B.C. Interior looking for Frank Spencer, the gunslinger who murdered her brother.

She finds Frank—and his flunking sidekick, Long Gun—back and forth across the American border, finally bringing him to justice in the novel's sensational climax. Then, craving her freedom, she turns her back on her boyfriend, a gentle schoolteacher named Ray Smith, and rides into the sunset.

Of course, it is all ridiculous—like the novel's two philosophizing Indians who comment on the action with the jump-pepping wit of a Tom Shoppard play. But amid the entertaining

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CUT OUT AND PIN UP

MACLEAN'S/21/16, 1987 41

personality of Capone—the exaggerated characters, the plot twists, the hokey sentimentalism—there is a core of veracity in *Capone* as an unlikely success, but also may be true as myth: a golden taking revenge on the maddens of male-dominated society. Almost miraculously, the manager to do so without actively killing anybody himself. Instead, the forces of nature step up to help her, in a way that is both utterly unexpected and symbolically compelling.

Bowering has created a new version of the Canadian West. Most Canadians, accustomed to American agents and cowboys, assume that their West was similar to the American one, with a red-coated Mountie or two thrown in for Canadian content. But according to Bowering, there are critical differences, which he identifies by introducing a comically misanthropic personification from Europe. The reporter is looking for evidence of the Wild West for the delirium of his readers back home. To his disappointment, few, except the American desperado, even bother to carry a gun.

In Bowering's vision, the real man of the West went peacefully on their ranches and play the occasional game of baseball. Capone gives a hard ride to the Hollywood-inspired out of violence—and a flustering pat on the back for the gentler Canadian way.

—JOHN MARSHALL

he researched Capone that B.C. settlers were playing baseball as early as the 1890s. Then he discovered the account of a game played in a "wild" 19th-century day at the turn of the century. "It was interrupted in the sixth inning by an eclipse of the sun," Bowering says, with almost relish. "After finding that, I had to put it in."

Bowering tries to pepper his work with such oddities—but in the mention of a game and a sunset—discrepancies—but clearly, the deepest inspiration for *Ca-*



Bowering, flipping his fiction to Canada's forgotten West

price came from the landscape he knew as a boy. The tall, soft-spoken author grew up in a series of small communities in rural British Columbia. He remembers clambering over the ruins of an old ghost town called Fairview, which he later brought to life in *Capone*. "I used to find old pieces of pottery, wine bottles, retting shoes, that sort of thing," he recalls. "It became obvious to me that British Columbia had a history that no one was talking about."

But Capone is far from a realistic novel. Bowering acknowledges that he feels little kinship with conventional narrative methods. "I like to play games in my fiction," he says. "To send messages to my friends and enemies. I like to be in constant control." Indeed, the novel behind Capone is far from conventional. Like any good baseball strategist, Bowering keeps his eye on all the runners.

—A.B. in review

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## ART

# Flying blind into the future of art

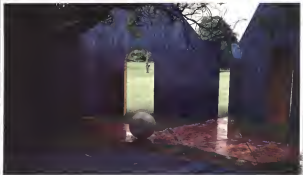
Once the seat of the prism of Hesse, Kassel, West Germany (population, 150,000), now has a distinctly small-town feel. An industrial centre during Hitler's Third Reich, it was almost totally destroyed in the Second World War. Now, its baroque skeleton is fleshed out with non-descript commercial buildings and cafes, where hangers-on to enjoy restaurant-covered balconies. The closest thing

to the art of the Olympics, the place to watch.

This year's exhibition, Documenta 8, attracted heavy advance interest. In part, that was normal art world curiosity about who is in and who is not. Canadians were intrigued because of the unprecedented size of their delegation—an artists-in-the-mass shows, artists half-dressed in performance and video events. On a wider level, interest

based on the achievements of the last generation, broke down.

What replaced it was a bewildering array of approaches to art-making. As never before, contemporary art has become a commodity, a lifestyle accessory of the newly rich. Styles come and go like designer dresses. The whole course of art history is open for the glowering, and artists are making daylight wads on the past. Meanwhile,



Morging Luz's Place and Shodor: making sense of a period when art appears to be in a state of profound crisis

to excitement in the thunderous passages of armored convoys, a reminder that Kassel, once in the centre of Germany, is now less than 30 km from the eastern frontier. It is also paradoxical that every five years Kassel becomes, for 100 days, the centre of the world of contemporary art. The reason is Documenta, a vast, panoramic show of current art that attracts about 600,000 visitors. This year the show opened on June 12.

Born in 1955 to show the trend of modern art that Mann had outlawed, Documenta quickly established itself as a champion of the international language of abstraction. By the 1970s the event was not only reflecting recent art history, but actually leading it. To the extent that art is competi-

tioned on just how Documenta organizer Manfred Schneckenburger and his team would make sense of a period in which art appears to be in a state of profound crisis.

The unsatisfactory label attached to this crisis is "postmodern," a term first coined to describe the new eclecticism in architecture. In the visual arts, postmodernism signals a loss of faith in the idea of the avant-garde. The apologetic successors of modernity, which began with Manet and Cézanne and continued through Picasso to Jackson Pollock, appears to have foundered some time in the 1970s. Somewhere amid the terminal reduction of material art and the cerebral experiments of the conceptualists, the notion of progressive formal breakthrough,

the appropriations are everywhere—children of the TV age who play an ironic and game with the pervasive imagery of the mass-media society.

Even before Documenta 8 opened, many critics were warning an catalogue—the theoretical justifications of Schneckenburger and his colleagues—for those critical values that would be revealed to have staying power. Clearly, there is a widely felt need for a stronger sense of direction in contemporary art, one that will prevent it from spiralling in ever-wider circles. And there was hope that Documenta 8 would help provide that direction.

But if anything, the show has a reactionary and somewhat retrospective look. It also has a staid moral and political agenda that it does not really



carry out. According to its organizers, Documenta 8 sets out to address "city life, violence, negative utopia," and to insert into the city of Kassel itself works made for specific sites—an attempt to give contemporary art a re-emphasized relevance. But if the gargantuan event fails to do that, it does at least clearly note of the contradictions in the current art system.

The show also includes sections on industrial design and architectural projects for ideal museums—the latter an expression of the fact that, while the late 20th century may not be a period of great art, it is a great era of museum building. As for the art, Documenta includes a series of performances, art events and anthologies of video and audio work.

To mold together that somewhat incoherent mass, Documents hired the veteran Italian designer Ettore Sottsass. The eight buildings that house Documenta are the magnificent Orangeries and the Friedlandstrasse, a large 18th-century structure that was the first building in Europe designed as a museum. After the war, they were transformed into strikingly raw white spaces. Under Sottsass's direction, they assumed a new, about, spectacular and theatrical look, as if the organizers had in mind a gleamed, distressed public that needed constant stimulation.

Schneckenburger and his colleagues serve as the main searchers for high-impact material for the show, favoring the large scale, the dramatic and the technological over the personal, the lyrical and the intimate. This is art that needs a sound track—and it is often provided. Various works include recordings of *Black the Knife*, *La Traviata*, rhythm and blues, and Benjamin Britten's *War Requiem*. To orchestrate her visual hymn to a body builder, Belgian artist Mariee Laforet used 32 video screens American Nam June Paik, the father of video art, employed 44 screens for his equally seductive tape about Joseph Beuys, the visionary German artist who died last year at his home in Düsseldorf at age 64.



Pascazio's God Bear (above), Longo's Machines in Love: wet flesh

Beuys, a powerful artist and a man who created his own myth, was a pervasive presence in Kassel. In past Documenta he could be seen lecturing at a blackboard about ecology or translating a project to plant 1,000 oak trees. This time, his widow, Eva, opened the show by planting more, there was also a massive installation of his work in a



rest white room that resembled a chapel. For an artist who claimed that noise of his place was over completed, it all looked curiously final.

If Beuys dominated from the grave, the other overwhelming presence was that of another German, the virtuoso

painter Anselm Kiefer, a personality at home as Beuys was in Germany. One of the exhibition rooms featured Kiefer's series of extraordinary handmade books, along with two immense, glowing canvases of an apocalyptic, positively Wagnerian intensity. Without a trace of irony, Kiefer's apocalyptic landscapes and ruins convey both ancient myths and the darker side of the Nordic psyche. By comparison, and comparison is one of the things Documenta is about—the work of the American artist Robert Morris seemed fresh. Morris has used flesh, history and a strange slant on a message. The Indians, all fully clothed, have assumed the postures of the characters in Monet's scandalously famous depiction of a 19th-century glaze with a nude, *Glaceur sur l'herbe*.

When Documenta moved across the bookstore continent of Southern California, it seemed to become more aware of itself. Past shows have made memorable use of Kassel's great baroque park, but this year's organizers seem to have lost either their nerve or their intention. Typical of the splendor works was Adriano Panichi's enormous *God Bear*, a 10-foot, elephantine jolt that on opening day was released by bad weather to a tax of wet flesh.

Most of the works in the city itself seemed to include, even more out of place. The American sculptor Richard Serra, for all his magisterial reputation, can produce pieces that are deeply hostile to their environment. The intimidating 8-foot-tall standing steel plates that he placed in a Kassel street effectively blocked off the view of one of the city's few remaining churches.

It was left to a Canadian, George Trakas, a longtime resident of New York, to make a work that was sensitive to its site. Trakas spent six months in Kassel before deciding to work in the circular Kerpelplatz, the city's central town step. He got up two steel bridges over trees that, erected massive tree trunks and built platforms that opened up unexpected views of the city. With his welding needs and chain saw, he became something of a permanent fixture in the city on opening day, his presence, although unfinished, was being mounted and traversed by the citizens of Kassel as if it had been there for years.

standing columns of looms—and a mock tin-making machine—to create a metaphor for the construction of psychic and physical interiors. And Toronto's Ian Carr-Harris used a representation of a huge paper crown, a magic carpet, the image of a woman and the sound of a ticking alarm clock to fashion a highly personal work dealing with childhood memory.

Among Documenta's many artists who used photography, Vancouver's Jeff Wall stood out with particular authority. For a decade now, Wall has been using high-contrast transparencies—the medium of advertising—to create dreamlike and sophisticated tableaux. His Documenta work, *The Shoreholder*, shows an Indian sitting or lying on the esplanade beneath a superhighway. The scene seems to be about a marginal people, but on inspection Wall's knowing use of art history puts a strange slant on a message. The Indians, all fully clothed, have assumed the postures of the characters in Monet's scandalously famous depiction of a 19th-century glaze with a nude, *Glaceur sur l'herbe*.

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## PUBLISHING

# Saturday Night fever

For months the venerable institution was, if not firmly established, at least available. And for months its owner, Danon Investments Inc., had been discussing prices rumored to be in the \$2-million range, with no other offers as *Teenage's* Publisher's Corp. and other publishing industry consortiums. If the property had been real estate, it would have sold quickly despite its shaky condition. Instead, it consisted of the 100-year-old *Saturday Night* magazine—chronicle of Canada's power and its influence on the black hole that lost \$250,000 last year—and its profitable sister arm, *Saturday Night Publishing Services*. Last week *Canada* Black, 6-nation, media-empire builder, historian and journalist, bought the magazine and its property in two.

Because of the split, and *Saturday Night's* previous financial success, analysts speculated that Black paid significantly less than \$2 million. An equally intriguing issue was whether Black, entering his prosecutive career, would change *Saturday Night's* relatively liberal content. The news release issued by Black's Toronto-based company, Hallinger Inc., gave few indications, stating only that it was committed to maintaining "editorial excellence."

Black already controls an international media empire that includes London's *Daily Telegraph*, 22 U.S. dailies and a major Quebec newspaper company, *Éclair*. He also acquired last month *Canada's* second largest newspaper, *Canada's* publication to add to the mix and approached Danon, owned by Norman Webster, editor-in-chief of the Toronto-based *Globe and Mail*, Webster's brother, William, and his sister, Margaret Gallagher. Although *Saturday Night's* publisher John Macfarlane knew that Black and other buyers were negotiating, Black's final move on June 27 left Macfarlane no choice but to resign a startled. The next day, the new owners issued a statement assuring the magazine's staff that they had "no immediate



Black surprise day

plans for any changes in senior editorial personnel." But they also made it clear their intention to resign Macfarlane. Meanwhile, Danon still controls *Saturday Night Publishing Services*, which produces other magazines and several reports, and has authorized Macfarlane to stay on as head of the division. Webster Macfarlane and Robert Fulford, the magazine's editor for 19 years, would comment on their future.

According to Webster, the magazine now has a circulation of 125,000 and needs at least 175,000 readers to pull its weight out of the red. Certainly, Black has the resources required to mount a drive for a wider readership. But former owner Webster warned that, in his experience, the cost of maintaining one of the nation's publishing landmarks represented "a very large investment."

—PAMELA TOWN in Toronto

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- 6 *Shattered Moon, Towner (1)*
- 7 *Wilder, King, Towner (1)*
- 8 *Wilder, King, Towner (1)*
- 9 *The Twenty, King, Towner (1)*
- 10 *The Eyes of the Dragon, King (1)*

### NONFICTION

- 1 *Wage, Webster from the Black Doctor, Webster (1)*
- 2 *Chou, Patrick, Webster (1)*
- 3 *The Fugitive and the Kennedy, Webster (1)*
- 4 *Hot Money, Webster (1)*
- 5 *On the Edge, Webster (1)*
- 6 *On the Edge, Webster (1)*
- 7 *The '71 of the Harrison, McNeil (1)*
- 8 *Unseen Life, Webster (1)*
- 9 *Controlling Interest, Who Owns Canada? Webster (1)*
- 10 *Money Men, Webster (1)*
- 11 *Money Men, Webster (1)*
- 12 *Money Men, Webster (1)*
- 13 *Money Men, Webster (1)*
- 14 *Money Men, Webster (1)*
- 15 *Money Men, Webster (1)*
- 16 *Money Men, Webster (1)*
- 17 *Money Men, Webster (1)*
- 18 *Money Men, Webster (1)*
- 19 *Money Men, Webster (1)*
- 20 *Money Men, Webster (1)*

—Compiled by Frances McNeely

# Only the chaste may apply

By Allan Fotheringham

**T**he press, which has enough problems trying to track the financial, sexual and nonsexual philosophical wanderings of politics, has now set itself a new task. It is to monitor the bedrooms of those who seek high public office. The United States is adapting with the debate—using the scribbles of the voters. Dear the lacunosa eye of the nation's man: have anything to do with how he might push the red button? It is this month's hot topic and, as all trends, will soon be across the border, demanding to know of Aida Hamilton, Flora MacDuff and John Christie the incriminating details of their romantic activity.

We live in perilous times—thanks to Jimmy Rice. Ever since he got into monkey business on the good ship *Monterey* Business with presidential favorite Gary Hart, everything has gone wacky. The self-destructive Hart, with the White House in his sights, abandoned his long-planned goal—not because of Rice but because of something more serious.

A former U.S. senator, tired of the continuing reports about his wife having an affair with the indefatigable Hart, hired a private detective to find the truth. The detective, his photograph shown, asked followed Hart right into the bedroom of a Washington woman—not the senator's wife but another paramour. Bad senator gleefully rushed to *The Washington Post* with the evidence, the *Post* indicated to the Hart staff what it had. And ball game over.

The subsequent pictures in that notorious, showing what boy Gary did on his summer holidays abroad the youth that monkey around as the way to Rome simply confirmed the candidate's jerk behavior.

Now, this is the subject of the debate consuming every press room and editorial page conference is the last. Does it matter? Jesse Jackson's wife says it doesn't. "I don't excuse the Allan Fotheringham is a columnist for *Southern News*.

sheets," she defiantly told reporters. Among other things, she wouldn't have the energy, since Rev. Jesse is on the road 16 months of the year. The wife of Democratic presidential candidate Paul Simon, a senator from Illinois, proudly told the press that the *News Herald*—the paper that uncovered the Rice affair—"was standing in our garden any time they want."

Reporters (no one likes to be behind in the new cottage industry) are busy asking every presidential candidate on the horizon—there are some 15 at last count—whether they have ever com-

mitted adultery, their financial records, their medical records and personally what they did in the beds with the other 13-year-olds at summer camp. We are getting a bit ridiculous here.

Thomas Eagleton, a five senator who has just resigned, was instantly destroyed as George McGovern's vice-presidential candidate when it was revealed he once had undergone shock treatment for depression—an incident he had neglected to tell McGovern. Now we are verging on the Sex Polls, the leadership of the most powerful action is history setting on who has ever strayed from the marriage bed.

The new Washington press attitude comes partially from guilt, in the knowledge that—in the old days, under the old rules—no one wrote about what everyone knew. Roosevelt's affair with his secretary or Johnson's randiness or Kennedy's abusive homophobia (even Reagan, who talks constantly about family virtues and in the first showed was in the first showed was to become president, confessed that coarctation embarrassment of having his and Nancy's first child arrive considerably

under the usual nine-month term.) But after Vietnam and Watergate, when reporters found that entire governments were liars, they decided to tell the truth about everything.

Reporters, in retrospect, feel somewhat chastened that they were not more forthright at the time about the truth of the Margaret and Pierre story as they knew it. As with the Duke of Windsor and Wallis Simpson, it was the *News* press that broke the story.

Matters, dear readers, are going to get more candid before they get better. Intellectual virginity is going to be in style. Teddy Kennedy, even if he might chance to be the best presidential choice in the field, doesn't dare stick his head above the trenches considering the current mood.

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